

# BUSINESS WEEK

YEAR  
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WEEK  
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## SHIPBUILDING EMPLOYMENT— A SIGN OF THE TIMES



START  
OF WAR  
1939

Millions of Wage Earners

1943

1944

'45

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BUSINESS  
WEEK  
DEX

# Out of this world



*And that's just where you are Son—out of this world and into another. Now you're on the very threshold of research exploring the unknown. It is research that finds ways to make more and better things for more people.*

**R**esearch is as essential as factory buildings or assembly lines in our business.

It was in the Research Laboratories that General Motors men found ways to make our cars safer and stronger than ever before by exploring the secrets of metals. Their studies of fuels gave us smoother, more powerful engines. Their research paved the way for better body finishes on our cars.

These engineers pioneered better

*Every Sunday Afternoon*  
GENERAL MOTORS SYMPHONY OF THE AIR  
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household refrigeration. They developed an early, crude Diesel engine into one of civilization's most important aids.

And they worked on a multitude of other projects, which have added up to more and better things for more people.

**T**hen the picture changed and the Research Laboratories, like all other GM divisions, threw their full energy into the urgent jobs of war.

Through their peacetime development of Ethyl they had made a great contribution to the high octane fuels that enable our warplanes to fly so high and fast. Continuing their studies into wartime, GM research men developed a new commercial

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**M**any such instances prove that American skills and knowledge built up in peacetime are helping to win this war.

Our country had this backlog of skill and knowledge because it was, and is, literally "the land of opportunity." It rewarded men who did their best. And in the years ahead, this American way of working promises to create even greater production, with an ever-rising standard of living for all.

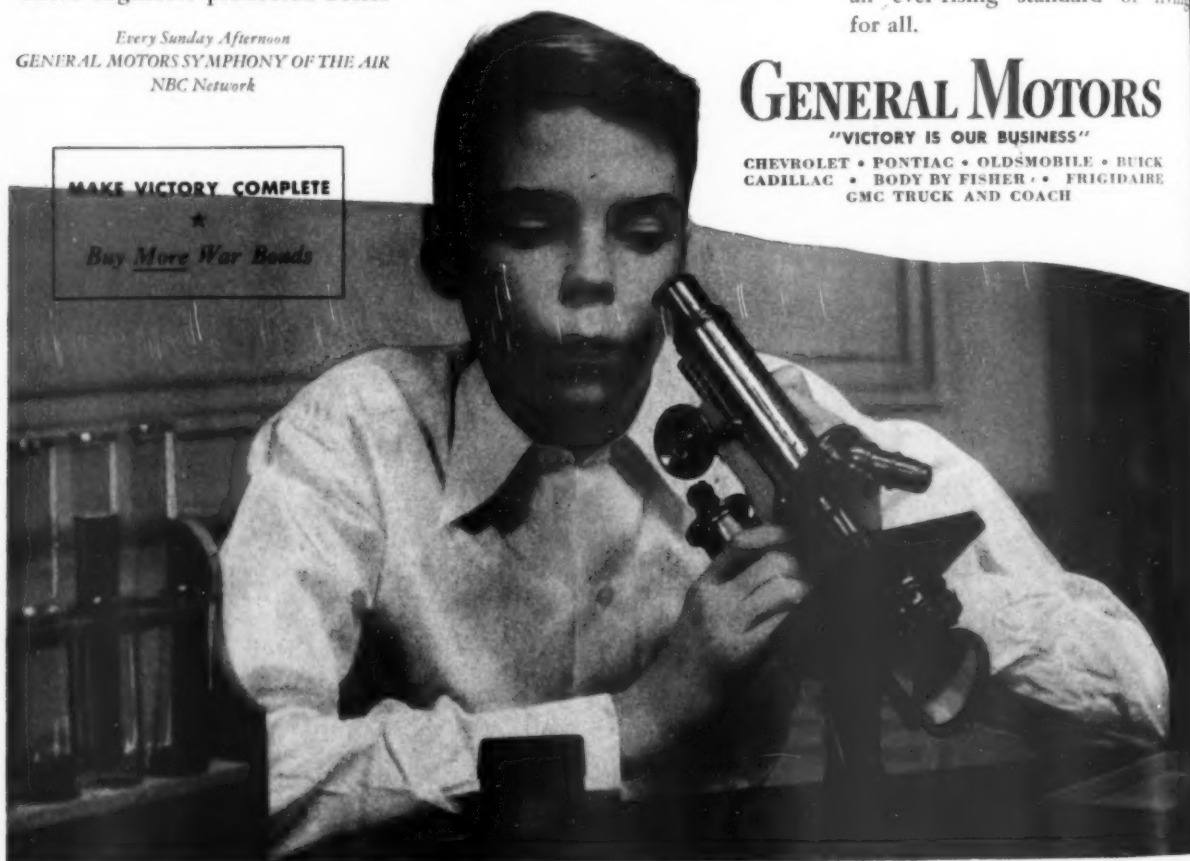
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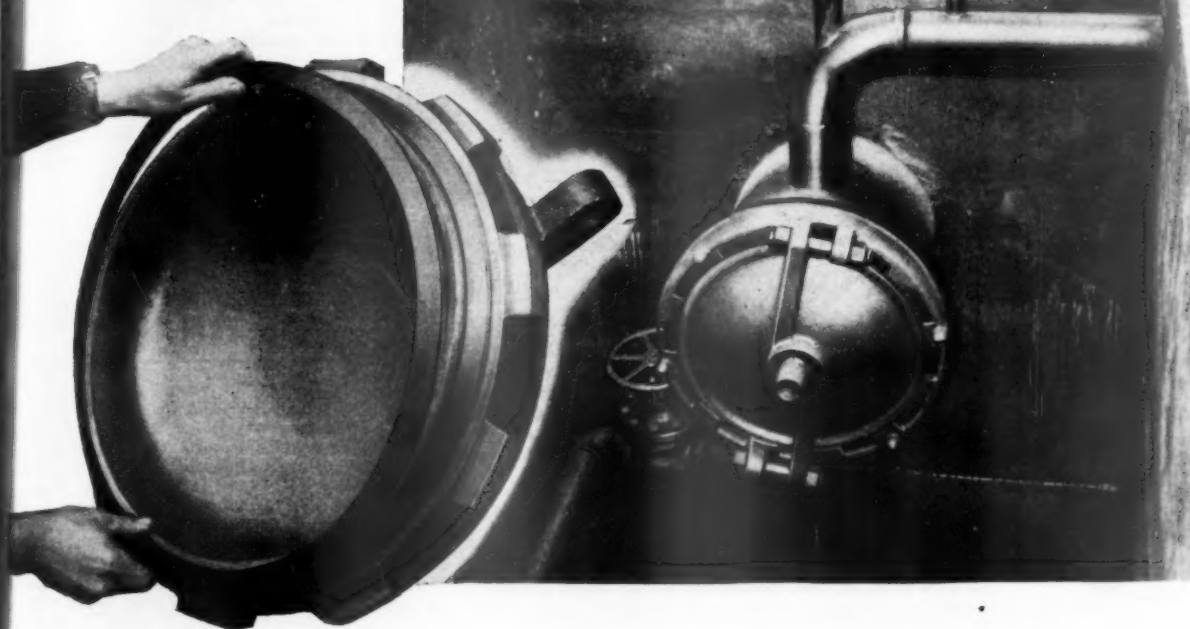
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Photographs courtesy Thornhill-Craver Co.



## They set this trap to catch a "go-devil" and Hycar keeps it shut

OIL pipe-lines—"Big Inch", "Little Inch", and all the others—have to be cleaned regularly. Sediment settles on the inside of the lines and builds up enough to reduce the flow of oil if it isn't cleaned out frequently. Oil men put a scraper called a "go-devil" in the line at one pumping station and pump it the length of the line to the next station. Here, sediment and "go-devil" fall into a scraper trap like the one in the picture.

But the trap has to be cleaned, too, and the "go-devil" removed quickly. A coupling manufacturer developed a plate that could be removed and reinstalled in a hurry. It depended for its performance on a sealing ring that would resist the action of the oil, keep its shape under pressure,

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## BUSINESS WEEK

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## REVISED THINKING

A marked change in attitude is apparent in Washington. Authors of the recent crackdown on civilian production and civilian psychology suddenly find themselves on the defensive.

The switch is due partly to civilian anger, partly to belated recognition by the front strategists that they have put too heavy a load too suddenly on the nation's economy and on its morale.

## Civilian Officials Become Vocal

One symptom of the new situation is that civilian officials are beginning to speak out for themselves after a long period of letting the military do their talking. WPB Chairman J. A. Krug announced this week that he was conferring with Army and Navy representatives in an attempt to balance their procurement needs against the necessity of maintaining bedrock civilian production.

## STRATEGY QUESTION

Several high officials take the squeeze on civilians—and its inflationary possibilities—so seriously that they have raised the question of whether the military can afford to count on our strained economy for the production that will be demanded by their "quick knockout" strategy in the Pacific. But any argument that a shift to a slower, less costly war of attrition would make sounder overall policy proceeds without much general knowledge of the political factors involved in the decision, including the Russian ones.

## Reconversion Comes Into the Open

One immediate consequence of the official change of front has been the sudden lifting of the ban on talk of reconversion. Chairman J. A. Krug announced this week that WPB was working up a V-E Day reconversion plan, probably to be published about Apr. 1, when Byrnes makes his quarterly report to Congress.

This was the first time since the military setback last winter that officials have been willing to concede publicly that there could be any reconversion after Germany goes under (BW—Mar. 17, 45, p. 5).

## A Chance to Tool Up

As the planners now see it, the V-E Day cutbacks will not be enough to allow an immediate removal of controls,

but they will give elbow room for two things: (1) immediate resumption of some of the most vital civilian production; (2) tooling up and filling the components pipeline for fast reconversion of most industries after Japan goes under.

In the second category come such things as permitting the automotive industry to procure machine tools and laying in a line of shelf items for the construction industry.

## ANOTHER LOOK AT STEEL

Officials already are taking another look at the military's heavy second-quarter steel allocations (BW—Mar. 10, 45, p. 17) with an eye to slashing them as much as 200,000 tons. This tonnage would be diverted to railroad equipment, the petroleum industry, and repair parts—all of which took heavy cuts in the second quarter under pressure of military demands.

Steel orders are extremely heavy and deliveries have been greatly extended—a problem WPB will have to face, whether or not civilian allocations are boosted.

## Allocations That Will Stick?

Krug's statement that the Office of Civilian Requirements and WPB industry divisions are being asked to submit estimates of rock-bottom civilian needs which cannot be overridden without serious interference with war production is taken as assurance that—for the first time—there will be firm allocations of raw materials to civilian goods. Big trouble in the past has been that the military kept eating into what was supposed to be the civilians' share.

## BYRNES IS ADVISED

Preoccupied with war front operations and foreign affairs, President Roosevelt tardily realized this week that the home-front campaign had got out of hand when War Mobilization Director James F. Byrnes received a "respectful" but tart request from his own advisory board. The board, composed of representatives of labor, industry, agriculture, and the public, asked Byrnes to consult with it occasionally before announcing policy decisions.

Roosevelt threw a red herring to the advisory group, by asking it to study the feasibility of guaranteed annual wages throughout industry. This move,

prompted by Byrnes, obviously is designed to sidetrack the advisory board, take it off Byrnes' neck. The National War Labor Board, which previously had recommended that an independent commission be set up to make such a study, is pretty sick about the whole business.

## Little Flower's War Powers

Mayor Fiorello LaGuardia's defiant announcement that New York would observe a 1 a.m. instead of midnight curfew puts Byrnes in an awkward spot. Byrnes' Office of War Mobilization & Reconversion has no direct way of forcing compliance; it had hoped to push the policing job off onto local government units.

Its only weapon—"sanctions" on manpower and material use, applied through WPB and War Manpower Commission—is not a real club but a papier mache imitation. The last thing Byrnes wants is to have the sanctions dragged into court for a test of their dubious legality.

## WORD COMING ON FOOD

The President sought to mitigate alarm over the serious food situation highlighted by this week's announcement of another 12% cut in civilian meat supply (page 10), by promising an explanation of just what has happened. Other moves to sweeten Washington's public relations with the country can be expected.

The switch may be too late to fend off embarrassing consequences, however. Congress already is launching an investigation of the food situation, and it soon may get into other aspects of civilian supply, particularly textiles, where the civilian already has been bounced painfully against bedrock.

## CROP PLANTINGS SAG

Farmers will fall short of 1945 planting goals as expected (BW—Jan. 17, 45, p. 19) although total acreage almost duplicates that of last year, according to this week's Dept. of Agriculture report on spring planting intentions.

Over-all crop plantings will be 4,500,000 acres below the 1945 goals, increases of 5,000,000 acres in wheat, barley, and oats being more than offset by reductions in acreage of corn, hay, and other crops. However, there will be the much desired 35% rise for flax



A single B-29 carries more gasoline than the average motorist would use in ten normal years. What's more, every drop of this gasoline is of super-quality and improved with Ethyl fluid . . . so it isn't difficult to see why home-front supplies of gasoline are short on both quantity and quality.

In fact, there's only one thing that we know of that will greatly improve your chances of getting the gasoline you want. That's complete, final Victory. Only then can you expect unlimited quantities of high-quality, post-war gasoline. Only then can we promise you the Ethyl of the future, the Ethyl gasoline that will bring out the best performance of your car.

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# WASHINGTON BULLETIN (Continued)

a fair gain for sugar beets (page 42). maintenance of feed crop acreages last year's levels (with less corn but more oats and barley) points to the possibility of expanded livestock production in 1946 if this is needed.

## ALLBORN

The proposal for postwar consolidation of all international communications into a "privately owned" but government-minded corporation won't go to first base in Congress.

Presented before a Senate Interstate Commerce subcommittee by Navy Secretary James V. Forrestal, the recommendation encountered immediate resistance from Sen. Burton K. Wheeler of Montana, the committee's chairman, and Sen. Clyde M. Reed, Kansas Republican.

Others besides anti-New Dealers suspect that whether or not so intended, a government-controlled network, which would include press transmission facilities, might become a tool for dissemination of global political propaganda.

## SECURITY STUDY NEAR

The fight over expansion of the social security system finally is shaping up after the long-delayed congressional showdown. The House Ways & Means committee, after postponing the job as long as it could, has decided to make an elaborate study of the whole social security program and hold hearings next summer. This means that the committee probably will bring out a bill sometime this session.

Even if Congress continues to stall on the liberalization the Administration has been demanding, it will have to make a general overhaul on the present social security act. The payroll tax rates—now 1% each on employers and employees—are scheduled to step up automatically next year to 2½% on each. The statutory rate increases have been staved off three years in succession by last-minute legislation. If the House committee does nothing else, it will have to make up its mind about the appropriate rate for the long pull.

## LABOR AREAS REVIEWED

In response to insistent hammering by the Senate Mead committee, War Manpower Commission officials have

agreed to review their system of classifying labor areas (Groups I to IV, in order of the degree of tightness in labor supply) with an eye to making it more flexible.

Officials haven't promised any changes, but they may have to make some concessions recognizing a distinction between quantitative and qualitative shortages, emphasized by the committee in its current manpower investigation.

A possible line of revision would be to make labor areas smaller, and to specify in the classification exactly what sort of shortages cause the tight situation.

## FM SETS CONVERTIBLE

FM receivers now in use will not necessarily be obsoleted if the Federal Communications Commission adopts its own proposal to move FM from its present band of 42-50 megacycles to 84-102 megacycles (BW—Mar. 3 '45, p31).

A converter capable of tuning in the new band can be built with over-the-counter parts costing \$8.85, according to George S. Turner, chief of the FCC

field division. Turner has put on demonstrations, using a Stromberg-Carlson FM receiver, with a handmade converter plugged in and tuned to a transmitter operating at 94.95 mc. Turner also has operated a Hallicrafters converter, made to sell for \$11 in quantity, f.o.b. Chicago.

## ICKES VS. CALIFORNIA

Congress is getting ready to slug it out with Interior Secretary Harold Ickes over his latest move to extend federal control over the country's natural resources.

While California is the only state so far whose sovereignty is being attacked, both House and Senate have been aroused by Ickes' stated intention to grant one, or more, permits to drill for oil in the vast tidelands oil deposits lying off southern California (BW—Dec. 2 '44, p32).

Unless Ickes is restrained, the ensuing court fight over California's right to properties lying between the line of mean high tide and the three-mile maritime limit will jeopardize state and private title to millions of dollars worth of harbor improvements, shipyards,

## OPA Cracks Down on Clothing Prices

After letting word leak out that the Maximum Average Price Regulation—rolling back clothing prices at the manufacturing level—would be issued far ahead of its companion order providing for tighter pricing by retailers (BW—Feb. 24 '45, p17) OPA pulled a fast one this week, issued the retail order first.

• **Markups Frozen**—Object of this maneuver was to throw retailers off the scent, catch them unprepared for the base date of the new order—Mar. 19.

The new regulation substitutes a markup freeze for the price freeze provided by the General Maximum Price Regulation. It will supplant GMPR—and sundry other retail regulations—for virtually all items of apparel, accessories, and house furnishings.

Retailers are required to fill out pricing charts showing cost and selling price of every item offered on the base date. They are then frozen to the percentage markup which is re-

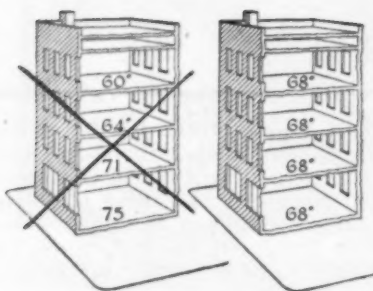
flected by the cost-price comparison.

• **Reflects OPA Confidence**—Issuance of the order by OPA was a gesture of confidence in the eventual success of WPB's low-cost clothing program and of its own proposed Maximum Average Price Regulation.

If manufacturers' prices can be rolled back, the markup freeze insures that such reductions will be fully reflected at retail. But if clothing prices continue to rise, markup control at retail just means double trouble. Hedging against the latter possibility, OPA has told retailers that the new retail regulation—MPR 580—won't insure them against having to absorb any future cost increases.

Inclusion of house furnishings in MPR 580 is further evidence of OPA's firm intention to roll back manufacturers prices in this field, too, through a regulation similar to MAP. A regulation providing for markup control by wholesalers is in the works.





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warehouses, wharfages, and other installations constructed on reclaimed land, as well as the fabulously rich undersea oil deposits of California, Texas, Mississippi, Louisiana, Alabama, and Florida.

## HEAT ON TARIFF PLAN

A bitter fight is brewing over the Administration's proposal to give President Roosevelt further leeway in slashing import tariff rates.

Hearings on a bill introduced by Chairman Robert L. Doughton of the House Ways & Means Committee which would permit net cuts in original statutory duties by as much as 75%, instead of the 50% reduction now allowed, are slated to begin after the Easter recess.

Some members of the House believe that eventually the bill will get a favorable committee report, but that from then on its path will be hazardous. Republican leaders are planning an all-out partisan fight on the proposal, and many Democrats have received the plan so coolly that its final adoption is in doubt.

## CAPITAL GAINS (AND LOSSES)

The grapevine, buzzing with rumors these days on what Secretary of Commerce Henry Wallace is up to, reports that Joseph Borkin of the Justice Dept.'s Antitrust Division is favorably regarded by Wallace as Commissioner of Patents to succeed Conway P. Coe.

OPA removed itself as a bottleneck in tire production (page 21) when it issued an adjustable pricing order covering sales of carbon black to Defense Supplies Corp. The interim order will serve until OPA decides on new provisions allowing above-ceiling prices for carbon black produced under emergency high-cost conditions.

Most persistent appeal from the brownout has come to the Office of War Utilities from a Chicago dealer in insulating materials. His argument: Keeping his show windows lighted would sell more insulating materials, which would conserve more fuel than turning off lights. Appeal not granted.

—Business Week's Washington Bureau

## THE COVER

Reflecting the tapering off of the ship construction program is the downward curve of shipyard employment—a basic problem in reconversion which inevitably will end up on Washington's doorstep (page 15).

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# THE OUTLOOK

BUSINESS WEEK  
MARCH 24, 1945



**Developments on the fighting fronts in Europe this week stress once more the importance of appraising V-E Day's meaning to the home front.**

The Nazis now have lost the Saar's industries and most of those in Upper Silesia. Our expanding bridgehead on the Rhine threatens quick neutralization—if not capture—of the Ruhr.

When those three regions are gone, Germany will have lost most of its war-making potential. To fight on then will be futile for the Reich.

**Businessmen should watch, in the light of Germany's plight, two things:**

(1) WPB's drive to protect a bedrock civilian economy and the changing atmosphere in Washington (page 5).

(2) Army's plans for the Asiatic war (page 111) and the process that Gen. Somervell has named redeployment (page 120).

WPB's resurgence as spokesman for the home economy and the military's insistence that the armed forces will be as big after V-E Day as now appear mutually contradictory. Certainly they muddy the waters.

Mere civilian observers would be presumptuous in trying to state exactly how the two will dovetail. However, they may analyze, generalize.

Every official action of the last three months has been aimed at putting things in their worst light, at making Americans tighten their belts.

That is as true of the present food "crisis" as of any other bally-hoo.

**But these facts remain after culling the exaggeration:** Army will demobilize fewer men and more slowly than we thought last fall; war contract cancellations will be more gradual and selective; removal of controls on materials will be resisted; consumers' goods scarcities will continue.

**Reconversion has been slowed up, but it hasn't been set back as far as many in Washington would like us to believe.**

The Army, it is quite true, will have to be badgered into giving ground. Even when it has enough of something, it will be loath to release a plant lest a crisis arise in Asia (as in Europe last December).

But plants and parts of plants will be freed—and faster than Army now admits. There will be no fanfare, no across-the-board cutbacks for some time after Germany falls, but there will be reconversion locally.

Slow at first, getting up steam later, and the very slowness of the start spells prolongation of the shortages and the government controls.

**Manpower will be one of the very last production factors to expand.**

Slowness of Army cutbacks will be one factor, and the reduced rate of demobilization of veterans will be another. And when cutbacks come, there will be voluntary retirements of women and oldsters.

Yet many plants will find, shortly after victory in Europe, that they have some labor slack. Also we still have Group III and Group IV areas.

Army will not be anxious to draft men over 30, and few are available below that age level except the monthly quota of 18-year-olds—so manufacturers can see fairly well how they stand for reconversion.

**Steel, critical now, will ease relatively soon after V-E Day.**

This despite some huge programs that will run off slowly. About 10% or 1,500,000 tons of finished steel will go into rockets and shells in the

# THE OUTLOOK (Continued)

## BUSINESS WEEK

MARCH 24, 1945

second quarter of this year. This figure doesn't include bomb components.

Navy, hungry for rockets, says there will be no cut in this program after victory in Europe—and, indeed, why should there be, because the Navy is not at present engaged to any extent in Europe.

•  
**Copper and lead**, like steel, should ease fairly rapidly.

**Building hardware** will be an early beneficiary. So will **repair parts for buses and trucks**, although civilian autos will be slower in getting repairs.

**Tires**, too, will come along fairly rapidly. Carbon black will be in better supply by the middle of next month.

**Gasoline and fuel oil** will be in much easier position when we have only one war to fight, but manpower will continue to cramp coal supply.

**Textiles, lumber, paper, and containers** will be scarce for a good while.

•  
Civilians face the tightest food pinches in meat, principally pork and lamb, and in fats, notably butter and lard.

**The meat shortage, however, will improve by autumn when supplies, on a per capita basis, once more will run well above the 1935-39 average.**

Pocketbooks being as fat as they are, the Dept. of Agriculture figures the average person would eat 160 lb. to 170 lb. of meat this year if he could get it. He probably will get only 130 lb. to 135 lb.

The first quarter will run at the year's average—but the second quarter is put at only 115 lb. due to the customary seasonal decline in marketings. Third quarter should be near 130 lb., fourth close to 140.

Beef supplies for the year will be well above normal. We had more steers on Jan. 1 than at any time in over 20 years. And we shall probably reduce over-all cattle numbers by slaughtering more than we raise this year.

Hogs, although 28% fewer than last year, are being fed heavier.

Total meat this year probably will run 10% under last year's record output—and the Army is taking substantially more.

•  
**Milk output probably will equal or exceed last year's, and per capita civilian consumption of fluid milk and cream will be at an all-time record.**

However, military takings of butter are up sharply from a year ago. Civilian supply—a liberal 92,000,000 lb. of creamery butter in January—is likely to average about 80,000,000 lb. a month from now on.

Per capita butter supply probably will be 10½ lb. (16.7 lb. prewar).

•  
**Poultry and egg production probably will be down 10% from the 1944 peak.**

At the same time, Army demand for chickens has approximately doubled with much going to hospitals. Army takes all the canned chicken.

•  
**War requirements for canned vegetables will be higher this year than last, those for fruits slightly lower.**

Net effect is to encourage Victory gardens, home canners. Gardens this year, early surveys indicate, will top the 1943 record of 20,000,000.

Early spring vegetable prospects compare fairly well with 1944.

Potato supplies Mar. 1, despite the scare stories, were 19% higher than in 1943, the year of the great shortage (when, in case you don't remember, "seed" potatoes went on the table at \$10 a cwt.).

# FIGURES OF THE WEEK

THE INDEX (see chart below). . . . . \*231.0 †231.3 229.7 230.8 238.0

## PRODUCTION

Steel Ingot Operations (% of capacity).....	96.9	94.5	96.4	95.3	99.2
Production of Automobiles and Trucks.....	20,505	20,235	21,010	20,865	17,810
Engineering Const. Awards (Eng. News-Rec. 4-week daily av. in thousands)....	\$6,050	\$5,997	\$4,762	\$6,407	\$6,096
Electric Power Output (million kilowatt-hours).....	4,398	4,446	4,472	4,395	4,400
Crude Oil (daily average, 1,000 bbl.).....	4,774	4,768	4,781	4,746	4,385
Bituminous Coal (daily average, 1,000 tons).....	1,838	†1,880	2,047	2,036	2,050

## TRADE

Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	80	83	77	86	80
All Other Carloadings (daily average, 1,000 cars).....	47	48	49	63	51
Money in Circulation (Wednesday series, millions).....	\$25,878	\$25,864	\$25,533	\$23,495	\$21,006
Department Store Sales (change from same week of preceding year).....	+28%	+19%	+21%	+14%	+11%
Business Failures (Dun & Bradstreet, number).....	16	21	23	23	29

## PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931 = 100).....	255.3	255.2	254.6	248.9	251.2
Industrial Raw Materials (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	166.4	166.4	166.4	165.7	163.2
Domestic Farm Products (U. S. Bureau of Labor Statistics, Aug., 1939 = 100)...	226.3	226.1	224.9	222.5	223.3
:Finished Steel Composite (Steel, ton).....	\$56.73	\$56.73	\$56.73	\$56.73	\$56.73
:Scrap Steel Composite (Iron Age, ton).....	\$19.17	\$19.17	\$19.17	\$17.625	\$19.17
:Copper (electrolytic, Connecticut Valley, lb.).....	12.000¢	12.000¢	12.000¢	12.000¢	12.000¢
:Wheat (No. 2, hard winter, Kansas City, bu.).....	\$1.66	\$1.66	\$1.66	\$1.51	\$1.66
:Sugar (raw, delivered New York, lb.).....	3.75¢	3.75¢	3.75¢	3.75¢	3.74¢
Cotton (middling, ten designated markets, lb.).....	21.75¢	21.74¢	21.68¢	21.30¢	21.15¢
:Wool Tops (New York, lb.).....	\$1.340	\$1.340	\$1.340	\$1.337	\$1.319
:Rubber (ribbed smoked sheets, New York, lb.).....	22.50¢	22.50¢	22.50¢	22.50¢	22.50¢

## FINANCE

90 Stocks, Price Index (Standard & Poor's Corp.).....	110.9	111.0	112.2	99.5	97.3
Medium Grade Corporate Bond Yield (30 Baa issues, Moody's).....	3.38%	3.38%	3.40%	3.56%	3.70%
High Grade Corporate Bond Yield (30 Aaa issues, Moody's).....	2.61%	2.62%	2.65%	2.71%	2.74%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	½%	½%	½%	½%	½-¾%

## BANKING (Millions of dollars)

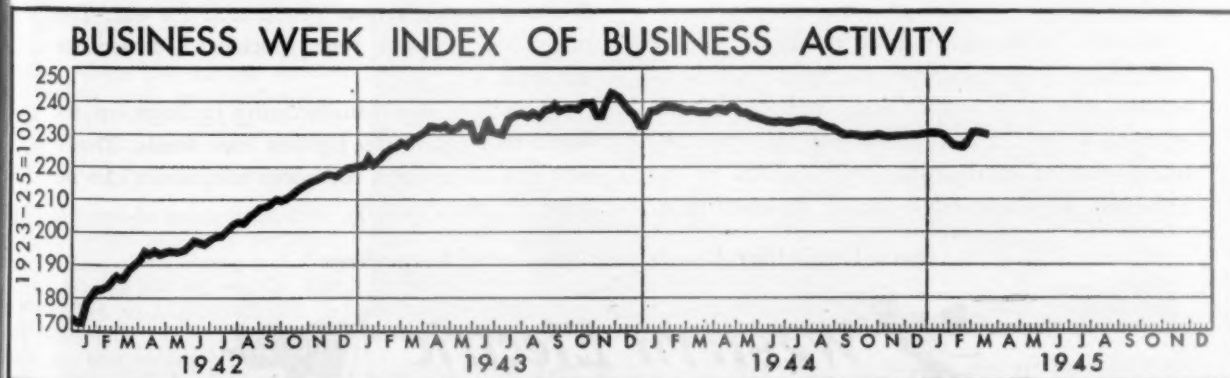
Demand Deposits Adjusted, reporting member banks.....	37,635	37,149	36,282	35,895	33,441
Total Loans and Investments, reporting member banks.....	58,155	58,424	58,923	55,041	52,885
Commercial and Agricultural Loans, reporting member banks.....	6,186	6,198	6,369	6,016	6,396
Securities Loans, reporting member banks.....	2,830	2,907	3,103	2,534	2,637
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks..	43,799	43,977	44,061	41,113	38,601
Other Securities Held, reporting member banks.....	2,937	2,930	2,968	2,962	2,852
Excess Reserves, all member banks (Wednesday series).....	1,000	900	1,000	971	1,263
Total Federal Reserve Credit Outstanding (Wednesday series).....	20,296	20,150	19,918	16,916	12,643

\* Preliminary, week ended March 17.

† Revised.

‡ Ceiling fixed by government.

§ Date for "Latest Week" on each series on request.



# WHAT WEAPON are they all using?

It's an old friend of yours - and it is used by  
every branch of the Armed Services !



ANTI-AIRCRAFT ARTILLERY fire is coordinated and controlled by field telephone—the brother of your familiar Bell System telephone.



ON OUR SUBMARINES, sound powered telephones, operating on current generated by the speaker's voice, connect all battle stations.



THE ARMORED FORCES use radio telephone to inter-connect tanks, scout cars, command cars, artillery units and anti-tank vehicles.



ON BATTLESHIPS, Aircraft Carriers, Cruisers, Destroyers, battle announcing systems give orders in a giant voice over loudspeaking telephones.



THE MARINE CORPS, storming ashore into almost impassable jungles, depends upon field telephones to deliver orders and reports instantly.



THIS COAST GUARDSMAN, standing watch, telephones warnings to the bridge to help keep the convoy's many ships in protected formation.



ARMY AIR FORCES planes fly by the hundreds and fight as one team because of their radio telephone — and interphone equipment.



THE SIGNAL CORPS provides the circuits for Victory—thousands upon thousands of miles of telephone wires needed to coordinate the attack.



THE INFANTRY uses great quantities of portable switchboards, field telephones and wire to link foxholes, command posts and headquarters.



FIELD ARTILLERY "Long Toms," blasting unseen targets, are directed by voices flashing through multi-channel radio telephone sets.

**Y**OU best know your telephone as a friendly instrument of peace. Our fighting men know it as an effective weapon of war.

Western Electric has put in the hands of the armed forces huge quantities of telephones, switchboards, wire, cable—specialized radio telephone equipment for use on land, at sea, in the air—many types of microphones and headsets by the hundreds of thousands—sound powered tele-

phones—battle announcing systems. Currently all these products together add up to only 40% of Western Electric's total production for war. The other 60% includes such specialized devices as RADAR.

Manpower and manufacturing facilities are devoted to meeting our fighters' vast needs. That's why not all requests for home telephones can be filled till after Victory.

**Buy all the War Bonds you can—and keep them!**



## Western Electric

IN PEACE...SOURCE OF SUPPLY FOR THE BELL SYSTEM.  
IN WAR...ARSENAL OF COMMUNICATIONS EQUIPMENT.





## Shipbuilding Noses Down

Maritime Commission and WMC prepare for ticklish job of moving workers until cargo program is completed, then diverting to other war industry. Regional effects will vary widely.

but in 1944, about 22% of Maritime's deliveries were turned over to the Army and Navy. One of Maritime's biggest jobs during the past year has been construction of combat transports and combat cargo carriers, designed to operate as fighting ships rather than as merchantmen (BW-Oct.21'44,p20).

Employment in all except the Navy yards has been drifting downward since the end of 1943 (see cover). Wage earner employment in the private yards hit its peak in November of that year, when according to the U. S. Bureau of Labor Statistics, 1,293,000 workers were on the rolls (excluding salaried and professional employees). By the end of 1944, the figure was down to 1,046,000, and in January, 1945, it fell to 1,035,000. Navy yard employment has bounced around the 300,000 level throughout this period without showing any net change.

• **The Decline in Early '44**—In the early part of 1944, the decline in employment represented labor shortages and better utilization of manpower rather than any reduction in output. In terms of lightship displacement, the Maritime Commission's record for 1944 topped the preceding year, 6,923,000 tons against 6,779,000. (In deadweight tons, the measure of cargo capacity, 1944 was only 16,343,000 against 19,239,000 in 1943, because of the greater

yards will run back through the subcontracting system—to the steel mills, the machinery builders, and others—in ways that the experts haven't begun to figure out yet. Many of the effects may be blotted out by requirements in other lines of war production, but even so, the transition won't be entirely painless.

Statistics of the shipbuilding program are confused by the more or less arbitrary division of work between the two big contracting agencies—the Navy and the Maritime Commission.

• **How It Divides Up**—The Navy operates eight yards of its own, which are engaged on both construction and repair. It has two more devoted exclusively to repair work. In addition, it has placed contracts with some 175 private builders. The Maritime Commission has contracts with 40-odd yards. Of these, about a dozen also hold Navy contracts.

Theoretically, the Maritime Commission builds merchant ships and the Navy takes care of fleet requirements,

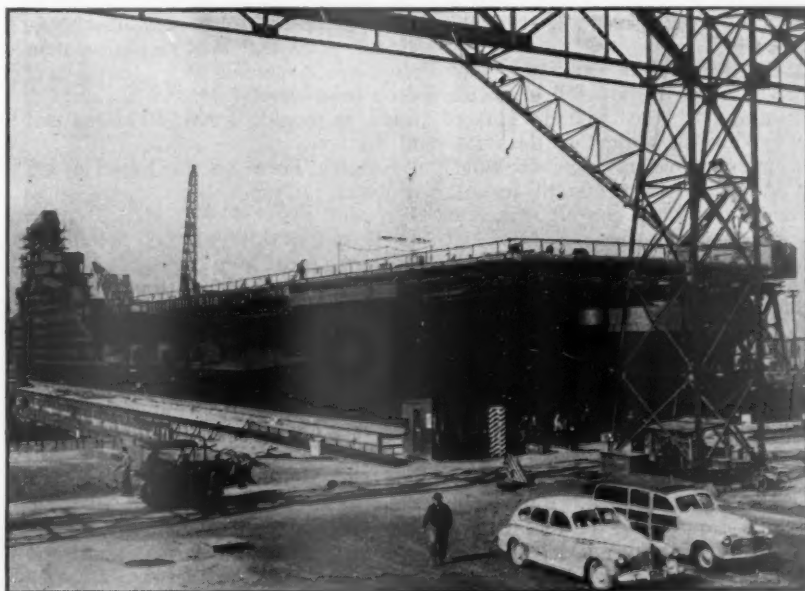
builder Henry J. Kaiser kicked the precariously balanced applecart. He told a recent press conference the government's huge ship construction program would wind up by the end of this year.

Production officials, uncertain of the effect upon labor, had hoped to hold off the talk of the decline in shipbuilding. Now, they have to admit it is likely to be the first big war program to approach completion of its life. Rear Admiral H. L. Vickery of the Maritime Commission said as much last week. Eventually, it may be a pioneer case study in the liquidation of the war program.

• **Shipping Problem**—For the present, it is the officials with the ticklish problem of siphoning surplus labor out of shipyards into more urgent lines without letting any go to waste and without starting a panic that would strip the yards of manpower before their war work is finished.

Maritime Commission spokesmen were reproachfully, Kaiser's statement oversimplified the situation. Naval construction is scheduled to continue at a brisk pace well into 1947. In addition, there will be a certain, though unpredictable, increase in shipbuilding work, depending largely on how the Japanese do to our forces as the Pacific war progresses. And there is always the chance that the Joint Chiefs of Staff will decide on another jump in cargo ship requirements. The fact remains, however, that the Maritime Commission's present program (cargo ships and certain special types) will be substantially complete by the final quarter of this year. The Navy's program will decline slowly, but it, too, has passed its

• **What It Means**—In terms of the 1943 program, that WPB uses as a yardstick for war programs, shipbuilding is due to drop from \$3,300,000,000 in the last quarter of 1944 to \$1,900,000,000 in the last quarter of 1945. In terms of employment, this means that roughly 1,000,000 workers will have to make a adjustment of one sort or another. The repercussions starting at the ship-



Launched this week at Newport News, the 45,000-ton aircraft carrier USS Midway represents a warship construction program that should continue into 1947 no matter what happens to the less-predictable merchant vessel schedule.



Rough living conditions in tents, high rents, and zooming prices at Mobile, Ala., as in many other shipbuilding centers, share with contract cutbacks the responsibility for a turnover in labor—one of the current problems.

number of military types with small cargo space.)

In recent months, the decline in production schedules has begun to outstrip the ordinary attrition in labor supply. For the first time, there have been large-scale layoffs with no assurance of re-employment after a change-over to new contracts. Dravo Corp., for instance, reports laying off about 350 workers a week at its Neville Island (Pittsburgh) yard.

Layoffs don't tell the full story, however, because once the word of a contract expiration gets around, workers start looking for something they consider more permanent than shipbuilding. Some production officials are just as happy to see the payroll reduction work out this way; they are afraid dramatic layoffs will start workers moving out of yards that still have urgent jobs on the ways.

• **Program for 1945**—Looking ahead, the Maritime Commission can't promise anything to reverse the trend in its schedules. Its program for 1945 calls for about 13,000,000 deadweight tons, against 16,343,000 in 1944. About 9,000,000 tons of this will be finished by September. The rest will spread out over the last quarter of the year, with a small part spilling into 1946. Even if the Joint Chiefs of Staff were to throw in a new program to take up the slack, the fact remains that shipbuilding works

on a long lead time, and any extra last quarter production must be programed within the next month or so.

If a new program doesn't materialize, the windup of Maritime's contracts will release about 522,000 workers. Not all of these will have to get out of shipbuilding, because there will be a steady increase in ship repair work. Considering this as well as the gradual decline in new ship construction for the Navy, experts guess that total employment in shipyards (including Navy yards) will drop from about 1,446,000 in January, 1945, to roughly 1,000,000 at the end of the year.

• **Keeping Them on the Job**—The big problem for production officials is to keep workers on the job until the contracts run out, then steer them into other war work. To avoid the kind of consternation which was touched off in the important shipbuilding area around Boston by the announcement that the Bethlehem yard at Hingham, which employed 23,000 at its peak, would close down by Aug. 1—an announcement that gave rise to rumors that Todd Shipbuilding Corp.'s Portland (Me.) yard and the Walsh-Kaiser yard at Providence would also close—the Maritime Commission has promised to give advance notice of all terminations and expirations. When layoffs are announced, the War Manpower Commission plans to move agents into the yards

and present workers with a list of employment opportunities.

This system already has been in some of the yards that have sharp cuts in employment. Officials think it is working well on the whole but acknowledge that there have been hitches. At Mobile, Ala., for instance, WMC field men found that employees of Alabama Dry Dock & Shipbuilding Co. were reluctant to move into lower paid jobs that other industries offered. Welders and pipefitters, graded to \$1.20 an hour, gave a warm reception to the job list which showed openings for helpers at 75¢, or worse, the lumber industry at 50¢. Many of them preferred going back to the yards.

• **Regional Picture**—Region by region the amount of readjustment will vary widely. January, 1945, total employment in shipyards was distributed the following way (BLS estimates):

North Atlantic .....	515,700
South Atlantic .....	128,900
Gulf .....	191,900
Pacific .....	506,400
Great Lakes .....	50,600
Inland .....	52,200

Total ..... 1,445,700

In the long run, the West Coast stands to be the hardest hit—it doesn't have the variety of other industries to absorb displaced workers—but thanks to the volume of repair work which will be done in its yards, the blow promised to be delayed. Employment in Navy yards generally is expected to rise steadily, at least until the end of major operations in the Pacific. Thus, on the West Coast, Navy yards boosted employment from 77,692 in August, 1944, to 95,394 in January, 1945, while private yards fell off from 476,432 (the peak) to 382,079.

• **More Gradual Letdown**—Areas in which the main shipbuilding activity is work done on contract for the Navy will have a more gradual letdown. In the Hampton Roads district, for example, the two biggest operators are the Newport News Shipbuilding & Dry Dock Co. and the Norfolk Navy Yard. The Newport News company is working entirely on Navy contracts, but its subsidiary, North Carolina Shipbuilding Co., Wilmington, N. C., is exclusively on maritime jobs.

In an attempt to figure out the regional impact and prepare for transfer of workers, the Maritime Commission and WMC are making an elaborate survey of yards holding contracts that will run out this year. The figures, which should be ready within a couple of weeks, will give each district a fair idea of how fast its contracts will run out and to what extent repair work or Navy contracts can take up the slack.

# Real Estate Runaway Alarms U. S.

Federal agencies consider controls to check speculation in homes and farms, but there is less than an even chance that they will be imposed. Tighter credit favored in capital.

Washington's growing concern over wartime boom in real estate was brought to a head when Marriner S. E. Davis, chairman of the Federal Reserve Board, stepped in a couple of weeks and urged the Senate Banking & Currency Committee to consider a "new wartime capital gains tax" (BW 3/45,p74).

**Plans Discussed**—The tax which advocates would apply to securities and other capital assets as well as real estate. But it is the speculation in homes, farms, and—to a lesser extent—business properties which is causing government agencies the gravest concern. The bill favors a confiscatory 90% tax applied to all capital gains derived from the sale, within two years, of property acquired within a period to be fixed by Congress. He suggested that the period should be from Jan. 1, 1945, on. Inflation is no longer a problem. The various government agencies which have a stake in the problem—besides the Federal Reserve Board, the Agriculture Dept., the Treasury Dept., the Office of Economic Stabilization, and the Federal Housing Administration—are stacking their proposal up against two other possible avenues of control: (1) direct control, similar to that now in effect on residential rents; (2) drastic credit controls.

**Agencies Press for Action**—All three methods of control have been criticized, within the government itself, on the grounds of political or practical unlikelihood—or both.

For this reason, the agencies concerned had been hoping to ride out the boom. Mounting pressures of the few months have driven them to direct action. Before Fred M. Vinson left the Office of Economic Stabilization for the RFC (BW—Mar. 45,p17), three agencies had directed attention to the problem in formal presentations. These agencies are the Dept. of Agriculture, the Federal Reserve Board, and the National Housing Agency—on behalf of its bureaucratic conglomerate which includes the Federal Housing Administration, the Home Owners' Loan Corp., and the Federal Home Loan Bank Administration, all of which are immediately involved.

**Problem for Davis**—The new stabilization director, William H. Davis, has taken over real estate speculation along

with the other problems he inherited from Vinson. Because of the incendiary effect of such speculation on wage stabilization, Davis is expected to give it serious attention.

In addition, an interdepartmental committee on taxation and finance is considering the problem.

Price Administrator Chester Bowles, finding it tougher and tougher to control rents in the face of a runaway real estate market, is also urging Congress to do something.

OPA certificates of eviction—required in rent-controlled areas wherever a house is sold over the tenant's head and the new owner occupies the property—ran 30% higher in the last six months of 1944 than in the corresponding period of 1943. OPA rent regulations now require a 20% down payment and a 90-day stay of eviction in such sales. Officials are now talking about lengthening the eviction period, at least in some areas.

The C.I.O., A.F.L., and the major farm organizations have advocated direct government action.

• **Values Up 30% to 40%**—There are no authoritative government figures on the size of the urban real estate boom. Prices of residential properties have risen little or not at all in some areas, but are up 150% or 200% in others. One reliable estimate is that the value of residential properties in larger urban areas increased an average of 30% to 40% for the country as a whole between July, 1940, and December, 1944.

The boom has been biggest in the South and West, smallest in the northeastern and north central states. It has been most marked wherever the war has brought a swollen population and overcrowding.

An NHA survey in Washington, D. C., based on a sample of one to four family units ranging in price in 1940 from \$5,000 to \$16,000, showed an average price increase of 27% by April, 1944. More than half the increase occurred after April, 1943. A joint survey by FHA and private interests in Los Angeles showed an average increase of 59% in the price of single family dwelling units between 1940 and October, 1944.

• **Mortgages Increase**—Many decrepit properties which were pulled out of

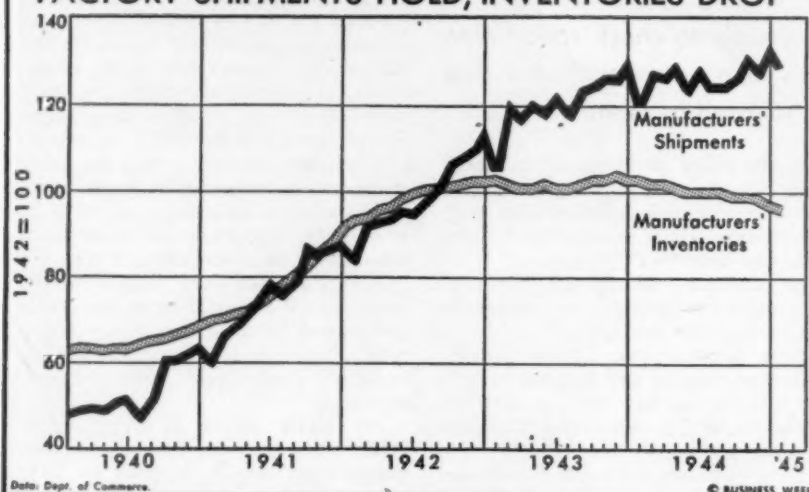


## SET FOR THE PROLOGUE TO PEACE

With the San Francisco conference just a month away, workshops of the big meeting—the War Memorial Opera House (left) and the adjacent Veterans' Building—are put in order for the army of delegates. The sumptuous opera house will be the scene of plenary sessions; the adjoining building is where the real committee work will be transacted. Pattern for the meeting is to be drawn from the Mexico City conference; the delegates will make no final decisions on political or military questions but will devise the machinery by means of which later political and security decisions can be made effective.



## IN THE OUTLOOK: FACTORY SHIPMENTS HOLD, INVENTORIES DROP



As they have been doing for more than a year, manufacturers are continuing to curtail inventories, while maintaining high levels of shipments. Actually, this trend has been in force for more than two years. Even in 1943 inventories were not rising in normal proportion to shipments. All this reflects the gradual working off of stocks feverishly piled up during 1941 and 1942—particularly war industries' raw materials and goods in process. These categories accounted for the billion-dollar drop in total stockpiles last year. Now materials shortages arising from the munitions drive are helping to sustain the trend toward a "hand to mouth" inventory position in manufacturing.

the red by HOLC in the early thirties are now being refinanced at double their worth then.

Officials cite a house appraised at a normal value of \$1,650 in 1934. It has just been resold for \$3,500. Another house appraised at \$2,400 in 1933 resold for \$4,500. HOLC officials insist their original appraisals did not reflect the depressed values of the thirties, hence are a fair measure of worth.

Prices have risen most sharply on lower-priced properties (\$5,000 and less). Other characteristics of the present boom are: (1) a sharp increase in the size of the average mortgage held by lending institutions; (2) an increase in the number of mortgages held by individuals; (3) raiding of portfolios by rival lending institutions; (4) the growth of real estate "boilerships" and curbstone brokerage; (5) rapid turnover.

• **Farm Boom Slows Down**—Farm land values also have continued their steady advance (BW—Aug. 12 '44, p. 34) though it has slowed somewhat in recent months. During the year ended Nov. 1, 1944, the increase for the country as a whole was 14% over the previous year. There have been sharp spurts in farm land values near war production centers, particularly in the Northwest, where workers are buying farms as a hedge against postwar unemployment.

Officials take comfort from the fact that over half of all transactions are for cash and that the total farm mortgage debt is now decreasing rather than increasing as it did in the 1919 boom. But observers who think the situation may have stabilized for the present believe that the real danger will come some months from now when labor and equipment are again available and returning veterans come home to be grubstaked by Uncle Sam.

• **Tax Idea Criticized**—Washington is aware that appraising the boom is one thing, controlling it another.

Eccles' proposed tax on speculative profits is regarded as politically sour. A bill, sponsored by former Sen. Guy Gillette, which would have taxed only profits from the sale of farm land, died months ago in the Senate Finance Committee.

Practical objections to Eccles' tax idea, advanced by the National Assn. of Real Estate Boards, and other interests, are that it would freeze assets, might slop into the postwar period and curb sound investment, and that, since it is aimed at resales, it wouldn't protect the man who has to pay double what a piece of property is worth to keep a roof over his head.

• **Price Freeze Suggested**—Direct price control would also run up against the

necessity for legislation, and would raise the tremendous practical problem of government valuation of every piece of property put up for sale.

It has been suggested that prices could be frozen at an alternative (1) the last price paid for a piece of property, plus an increment; (2) an appraised value as of a freeze date, plus an increment. The shortcomings of both methods are obvious. The N.A.R.E. is working on a proposal for modified price control which might involve compulsory appraisals by government-certified appraisers and prohibit sales above the appraised value.

• **Credit Control Weighed**—So far the difficulties of determining fair values are concerned, credit control has been the shortcomings of direct price control. In addition, it would not touch cash sales and would probably siphon business away from supervised lending institutions and into the more speculative channels.

Credit control has the advantage of ducking the need for going to Congress. Officials think that it could be put into effect by executive order under the President's war powers. (The Trading With the Enemy Act was invoked to close the banks in 1933.) Vinson is known to favor credit controls, because he gaged the congressional temper as unfavorable to legislation.

• **No Action Expected**—A realistic view seems to be that there is less than a 50-50 chance that anything will be done unless pressures become a great deal hotter.

If anything is done, it is likely to take the form of tighter credit controls.

The only legislative possibility at the time seems to be an increase in the holding period under the present capital gains tax in lieu of Eccles' special tax. The holding period was cut down to six months in the 1942 revenue act and there is at least an outside chance that Congress might be persuaded to boost it to 18 months or even three years.

• **The Real Solution?**—Officials concede that the only real solution to the problem, at least so far as urban real estate is concerned, is plenty of new construction and fast.

With this in mind, the agencies concerned are pressuring the War Production Board to get construction under way at the earliest possible moment after Germany falls.

One view is that even a small volume of new construction would brake the runaway market. The other—pessimistic—view is that the country's accumulated housing deficit is so huge that no volume of construction which will be possible in the next three or four years will be sufficient to slow the market.



## Path to Bretton

C.E.D. offers a midroad course to businessmen who don't agree with A.B.A.'s stand on proposed Bank and Fund.

While Administration spokesmen are anxiously pushing the Bretton Woods monetary proposals through congressional hearings in hope of passage before the Apr. 25 opening of the United Nations Security Conference at San Francisco, the Committee for Economic Development this week became the first important general business group to take a stand on the question.

**A "Synthesis" Offered**—In a policy statement of its research committee, C.E.D. comes up with a suggested amendment that it regards as a "synthesis of present opposing views, not a compromise"—the opposing views now on record being those of the Administration and the American Bankers' Assn. (BW—Feb. 10 '45, p120).

Bretton Woods agreements provided for two lending agencies to which member nations would subscribe—a currency fund to stabilize foreign exchanges and an international bank to promote long-term development. Within limits, fund loans would be automatic to members facing trade deficits, whereas bank investment loans would be subject to careful study and possible veto.

**A.B.A.'s Position**—The A.B.A. would drop the Fund, empower the Bank to negotiate currency stabilization instead, and back up such agreements with stabilization loans "under the same safeguards as other loans of the bank."

C.E.D.'s recommendation is that the Bank be given authority, which it does not now clearly possess, to extend long- and short-term loans for stabilization, leaving "the Fund strictly for currency transactions."

While the Fund theoretically is to meet minor short-term fluctuations in trade and similar balances, many foreign nations will face large trade deficits during reconstruction. That is the Fund's strength and weakness.

**Some Pro's and Con's**—Borrowing rights on the Fund were designed to persuade foreigners to hold to stable currencies (in order to promote freer international trading) instead of resorting to restrictive trade practices. But many in this country fear that such borrowings might continue so large and so long as to break down the Fund or call for additional U.S. contributions to it. Yet the A.B.A. proposal—to tighten borrowing rights by dropping the Fund—might cause foreign nations

to reject international stabilization and collaboration altogether.

C.E.D. figures its "synthesis" minimizes both dangers. Borrowing nations would keep their rights in the Fund, lenders their veto power in the Bank. The Bank (with lenders' assent) could make loans that otherwise might drain the Fund, and the latter's management (with borrowers concurring) could use its powers to restrict Fund drafts.

**As a Face-Saver**—Technical aspects aside, C.E.D.'s proposal works out as a face-saver for businessmen and bankers who have felt embarrassed about going along with the Administration program after the violence of the A.B.A. attack.

While the Treasury sponsors of Bretton Woods probably will not object to C.E.D.'s recommendation—some feel the suggested powers are implied in the agreements as they stand—they might argue that any American amendments to an international agreement would open the way for other countries to alter it—requiring new international and congressional action before achieving ratification. A strongly worded permissive amendment might not be opposed.

**A Big "Out"**—In finally recommending that approval of the Fund be post-

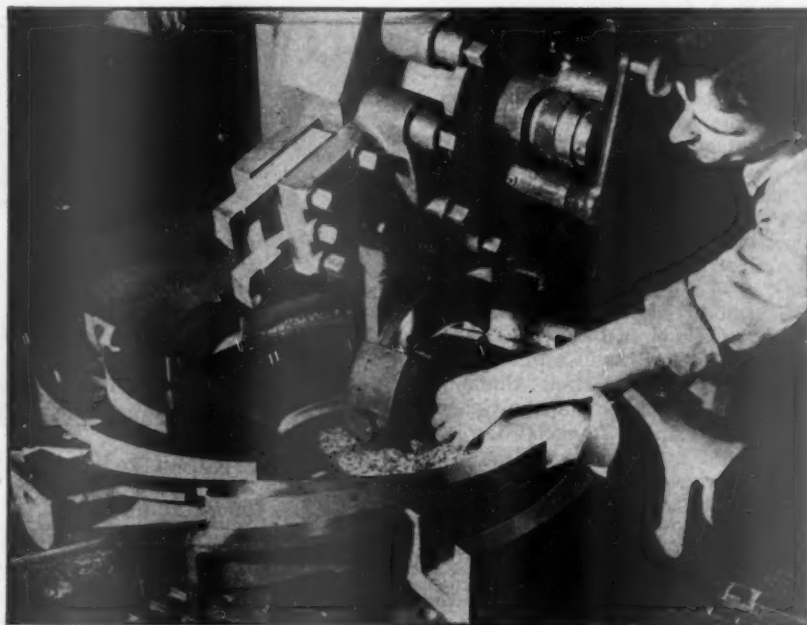
poned if its suggestion is not adopted, C.E.D. leaves itself a big out: "unless there are weighty political and diplomatic considerations, some of which are matters of public record, some of which may not be."

## Engine Speedup

Hatfield Committee goes into action to break bottlenecks in internal combustion units and parts for the military.

War demands for internal combustion engines are expected to increase, with resultant bottlenecks in parts, for months to come. Needs of the Navy, in particular, are likely to rise steadily until mass landings are made in Asia.

**A "JC" Gets the Job**—To meet this situation, the new Hatfield Committee has already gone into action to exercise close control over engines and engine parts. This committee, set up several weeks ago by WPB, derives its name from Lt. (jg) Robert M. Hatfield, assigned by the Navy to WPB to head up



## SUPERPOWER FOR SHOOTING STARS

Ready for machining at a General Electric plant is a main part of the jet engine which drives the Army's fastest and most secret fighter plane—the Lockheed P-80 Shooting Star (BW—Nov. 4 '44, p17). The power plant, developed by G.E. and slated for production also by General Motors, is described as the world's most powerful. It and the P-80 which was designed by Army, R.A.F., and Lockheed engineers are built for speeds of around 800 m.p.h.—faster than sound. And although the Shooting Star is in production and undergoing extensive tests, its pictures and actual performance data remain on the top secret list.

the program. An ordnance research specialist, Hatfield was employed before the war by Combustion Engineering Co., New York.

The committee, composed of Army, Navy, and WPB representatives, came into being after the Joint Chiefs of Staff had reported a "critical emergency." Admiral Nimitz urged by dispatch that a strenuous effort be made to get spare parts to his theater. Lt. Col. Thomas Riley, USMC, returned from the Philippines to say that landing operations in the Pacific had been endangered by the shortage of parts for cranes, bulldozers, as well as for other equipment.

• **How Committee Operates**—Hatfield's group is authorized to go into each plant, find out why it has fallen short of schedule, and take such remedial action as is required. Progress to date is such that Hatfield predicts a sufficient increase in the flow of spare parts by June 1 to meet all urgent military requirements.

Forty-one plants have been surveyed by the committee. Civilian scheduling officers have been installed in eleven plants. The establishments which have been classified as critical manufacture such parts as bearings, head castings, pistons, filters, gears, valves, starters, generators, and fuel pumps.

• **Plants That Are Affected**—The plant scheduling officers have set up shop at Waukesha Motor Co., Continental Motors Corp., Hercules Motors Corp., Buda Co., Cummins Engine Co., National Supply Co., and Fairbanks, Morse & Co. These companies, along with a score of others, are behind in production due to shortages of friction bearings.

Schedules are also established at Cleveland Graphite Bronze Co., Bohn Aluminum & Brass Corp., Federal-Mogul Corp., and Detroit Aluminum & Brass Corp., which with the General Motors Moraine Products Division constitute a major source of bearings.

The Hatfield Committee has at its disposal a broad weapon of production control in Direction 3 of WPB Conservation Order M-293. Under this directive, Hatfield can assign engine parts production outside of the basic frozen schedules into emergency channels as he and his aides see fit.

• **How Many and Where?**—Present decisions largely boil down to determination of how many engine parts should go into spare supply banks and how many into completed engine assemblies.

Expansion of bearings facilities is indicated. Available figures indicate total need for about 18,000,000 bearings monthly to meet military and civilian needs, compared with production among the five major companies of

12,800,000 and full-employment potential of 15,200,000.

Cylinder sleeves continue as an equally troublesome shortage problem, now being approached directly by WPB.

• **Reactivation and Expansion**—Ford Motor Co. is reactivating some hitherto idle foundry space to spin sleeves in long production runs. White Machine Co., Eau Claire, Wis., has received approval for expansion of facilities to double sleeve capacity from 20,000 to 40,000 pieces monthly in the next few months.

Castings for blocks and heads are another problem under active attack. The WPB automotive, shipbuilding, and power divisions have obtained requirements of each engine maker, together with schedules, through June, 1945. The Steel Division is checking this information against foundry capacity, and determining how transfers of work or expansions can help output.

## Ore Fleet Ready

Great Lakes opening set for Apr. 2. Another record year indicated by increased goals for iron, stone, and grain.

Final preparations were being made this week for an Apr. 2 opening of navigation on the Great Lakes which last year saw a record 184,155,384 tons of vital war materials moved by more than 800 vessels.

• **Ice Breakers Ready**—Two Coast Guard reconnaissance planes, based at Traverse City, Mich., made daily flights to observe ice conditions. They maintained contact with headquarters in Cleveland and the fleet of ice breakers headed by the 5,090-ton Mackinac which has been making Great Lakes history ever since it was pressed into service.



### CONFIRMATION OF AN EARLIER REPORT

Months ago the first hint that RCA was grooming a new television receiver for postwar markets was current (BW—Nov. 25 '44, p19). This week RCA unveiled it to the press, and confirmed reports of the revolutionary projection system the receiver would use. The set features a viewing screen 21½x16 in.—about five times larger than those of prewar sets. The image, reflected from the cathode ray tube to a spherical mirror, back through a plastic correcting lens, then by a flat mirror to the screen, is free of the distortion that characterized earlier sets. Previously images were either shown directly on the rounded end of the cathode tube or at best reflected on a mirror above the tube. RCA's combination of increased image plus absence of distortion means far less eyestrain. Meanwhile, scarcely audible in the hulahalloo created by the bright pictures on RCA's console (to sell at about \$395), Emerson Radio & Phonograph Corp. quietly reminded that a year earlier it had announced its own receiver based on substantially the same system—a table set which would project images via a plastic lens to a large detachable wall screen (BW—Jan. 1 '44, p26).

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midwinter to escort newly built ships through ice-locked harbors and channels to open water.

The Coast Guard had a fleet of 16 cutters standing by for the ice-breaking and giving other assistance to navigation. In reserve was the car ferry *Sainte Marie* of the Mackinac Transportation Co., which before the building of the Mackinaw was the ice-breaking queen of the lakes. Two tugs also were on call.

**First Sailing Apr. 2**—At Escanaba, Marquette, Ashland, Superior, and Duluth, finishing touches were made in the seasonal repair jobs at the ore docks. Repairing and repainting of ore cars also hurried to completion at railroad tracks at these points.

Escanaba, only iron ore shipping port on Lake Michigan, will again open the season on Apr. 2. The steamer *L. E. Block* of the Inland Steel Co. fleet will load ore from the Sherwood mine. Navigation will open on Apr. 2. at Port Huron, near Manistique, where the *Joseph Block* will take on the season's first cargo of Limestone for Indiana Harbor. The *Joseph Block* will return to Escanaba on Apr. 5 for her first ore cargo.

Navigation at the head of the lakes is expected to get under way about Apr. 9. Last year, the first boat arrived at Duluth on Apr. 10 for an ore cargo. Earliest opening on record was made by the *William G. Mather* on Mar. 26, 1942.

**Higher Goals Set**—Another record-breaking year is in prospect. Quotas call for 92,960,000 net tons of iron ore, about 3,000,000 more than last year; 40,000,000 bu. of grain in ships of U. S. registry, 48,000,000 bu. more than last year; 60,000,000 tons of coal, about equal to last year's record movement; and about 17,000,000 net tons of limestone.

Carriers were encouraged by War Manpower Commission and War Food Administration cooperation that promised to solve another threatened manpower crisis.

**Draft Inroads Eased**—With 14,000 officers and men needed to man the fleet, the present outlook is for a 90% deferment of men under 30, instead of the prospect of being stripped of 70% which loomed two weeks ago.

Recruitment programs of vessel owners are bearing encouraging results, and WFA-WMC efforts are expected to return many men from winter berths on salt water.

A heavy contingent of 16- to 18-year-olds on vacation from high school is likewise being depended upon. The shipping firms are setting up schools in lake ports at which an intensive five-day training course will instill the rudiments of seamanship.



## WAR PLANT RETURNS TO CIVILIAN WORK

Reconverted from war work to essential civilian production, a Philadelphia firm's assembly lines are again producing trackless trolley coaches. Under authorization by WPB and the Office of Defense Transportation, ACF-Brill Motors Co. is scheduled to turn out more than 170 of the vehicles this year. When the first of these are completed in June, they'll be allocated to such vital war centers as Akron, Dallas, Des Moines, Shreveport, and Honolulu. Orders placed more recently are earmarked for Oklahoma City, New Orleans, Kansas City, Seattle, and Youngstown. Before resuming coach production, the plant made howitzer carriages, ship and aircraft parts for the Navy.

## More Army Tires

Sunday production of big casings is resumed after WPB moves to increase output of carbon black—the bottleneck.

Sunday production of heavy military tires was resumed this week in Akron plants as WPB moved to eliminate the tire industry's current bottleneck—carbon black (BW—Mar.17'45,p19).

**Fewer Smaller Tires**—Return to the seven-day week was made possible by curtailing output of smaller casings. Full military tire production cannot be resumed until late April, according to WPB, and then only if anticipated carbon black production increases are realized.

Spurred by the investigation of the Senate's Mead committee, which termed the carbon black scarcity "one of the most inexcusable shortages of the war," WPB announced an eight-point program to ease the shortage.

**Below Requirements**—Hope of the program is to increase carbon black output from the current 80,000,000-lb. monthly level to 85,000,000 lb. in April

and 98,000,000 lb. by July. Even that production rate falls short of the industry's 1945 requirements of 1,225,000,000 lb. and leaves no provision for exports or for building up working inventories.

Point one in WPB's new program is the release by the Petroleum Administration for War of 10,000 bbl. of naphtha and 2,000 bbl. of natural gasoline residue daily to increase carbon black production 1,500,000 lb. monthly. That output won't be realized for six weeks to two months because of new machinery requirements.

**To Release Propane**—Release by PAW of 115,000 gal. of propane gas daily will step up carbon black production by another 1,000,000 lb. per month. As soon as the heating season is over, PAW will provide an additional 50,000 gal. of propane daily, adding 500,000 lb. a month.

From the Texas Railroad Commission WPB received a 30-day emergency waiver on the use of "sweet" gas at several Texas "furnace" carbon black plants. This will increase their output by 1,500,000 lb. a month.

During the 30-day waiver period the carbon black industry and governmental agencies hope to perfect means of enriching the so-called "sour" gas at sev-



eral furnace carbon black plants to increase their output by 40%.

• **Priority for Labor**—Other points in WPB's program include drastically reducing carbon black exports, placing of carbon black labor in the highest priority bracket, speeding completion of new production facilities which currently are two months behind schedule.

## Radio Mountains

Raytheon Mfg. Co. plans a peak-to-peak network in West for FM, television, and other types of wireless communication.

Most ambitious experiment to date in a chain of developments which may revolutionize the whole applied science of communications has just been projected by the Raytheon Mfg. Co. of Waltham, Mass.

This experiment, like others which have preceded it, is centered on television and frequency modulation broadcasting, but it can conceivably mark another step toward making telephone

and telegraph poles for purposes of mass communication as obsolete as the signal fires which the Indians used to build on high places.

• **On the Mountain Tops**—The high places, however, far from becoming obsolete, figure prominently in these latest plans. Raytheon has asked the Federal Communications Commission to permit it to build one Class 2 station for experimental high-frequency relay broadcasting (30,660 and 39,540 kilocycles) from eight famous mountain peaks of the West.

Five of the peaks form a chain down the Pacific coast—Mt. Adams, Mt. Shasta, Mt. Tamalpais, Mt. Whitney, and Mt. San Geronimo. The others—Wheeler Peak, Nev., Kings Peak, Utah, and Grays Peak, Colo.—point eastward across the Rockies.

• **Without Land Lines**—The mountain-top experiments are expected to measure field strength and interference under various conditions. Raytheon hopes to prove that a satisfactory television and FM network, without land lines, can be developed extending from Seattle through San Francisco to Los Angeles, with an eastward branch for the Salt Lake City and Denver areas.

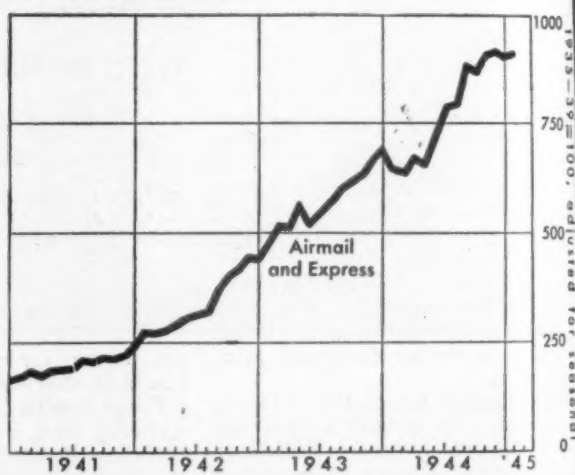
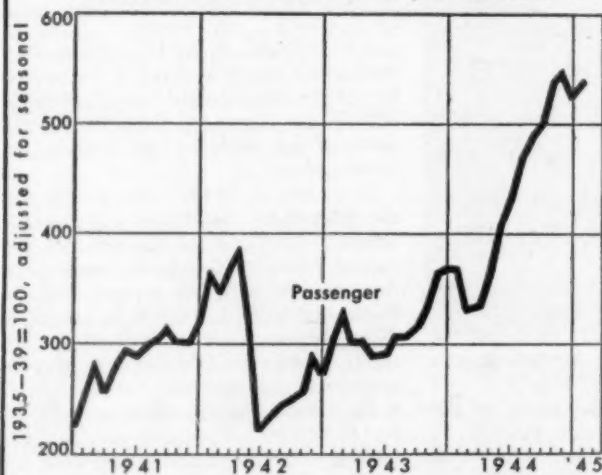
Television and FM programs would be relayed from one mountain-top station to the next for rebroadcasting at relay points on suitable wavelengths in service areas. Likewise, programs originating at relay points would be fed into the chain. Airway beacon, weather, police, and forestry services would also be furnished by the relay system.

• **G.E.'s Experiments**—The basic idea is not new. General Electric has been operating such a relay for several years between the NBC station atop the Empire State Building in New York City and a station in the Helderberg Mountains at Schenectady.

Previously it had been believed that because of the straight-line characteristic of television waves, television networks could only be evolved by use of land lines or stations spaced at sufficiently close intervals to nullify the effect of earth curvature. G.E. found altitude was the answer.

• **I.B.M. Takes a Hand**—The importance of what is in the making is amply evidenced by the big-name companies that want a hand in it. Last fall, General Electric and International Business Machines Corp. obtained permits for five high-frequency relay stations linking

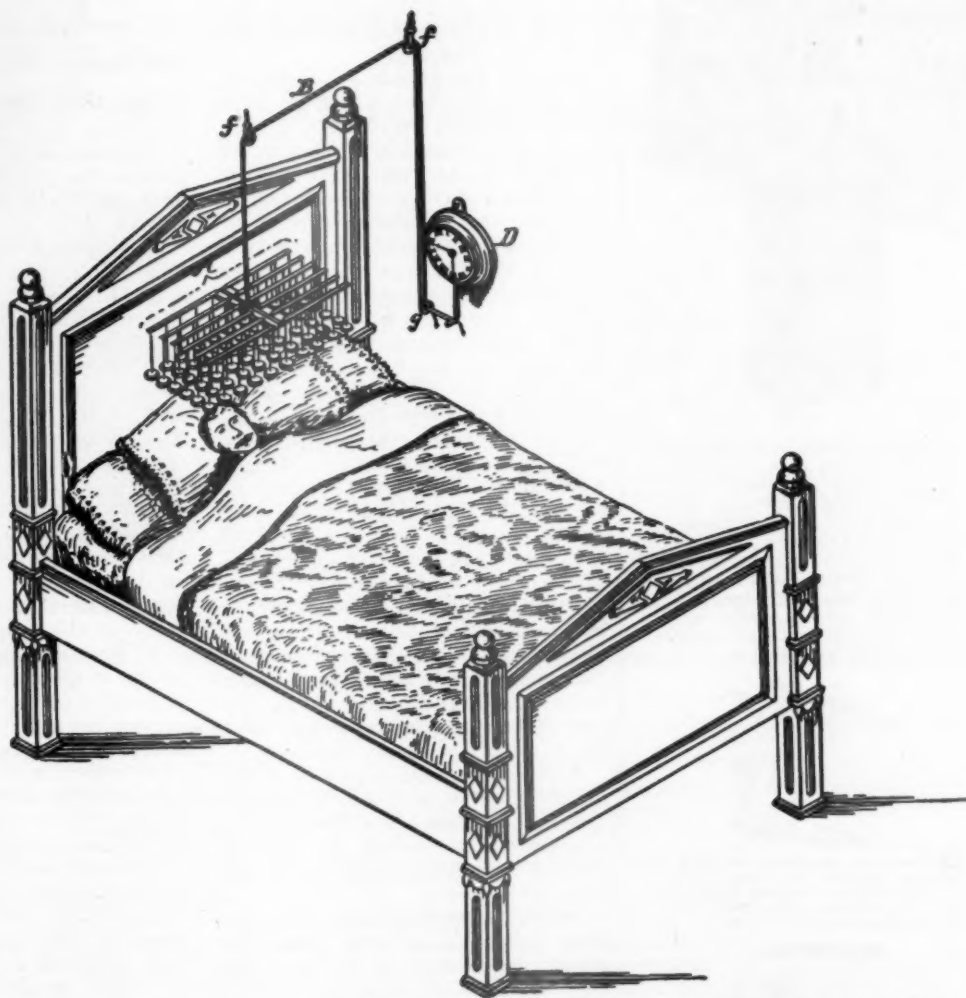
## AIRLINE TRAFFIC TAKES NEW WINGS



With the return of more than 80 planes by the armed services, the domestic airlines last year really could boom their business for the first time since Pearl Harbor. Now that 97 more planes have been allocated by the Surplus Property Board—most of them are just now coming into operation (page 58)—1945 should see further sharp expansion. Total airline planes, until about a year ago, had been more than halved by transfer to the armed forces. But from 1941 to 1943 utilization (miles flown per plane per day) was almost doubled, and a 50% boost in load factor (from 60% to over 90% of passenger seats filled) enabled

carriers to increase passenger traffic slightly, and to triple their cargo load, which was only 15% or so of passenger ton-mileage in 1941. Last year's release of planes increased passenger traffic nearly 50%, cargo nearly 40%, from early 1944 to early 1945. The planes that have recently been returned mean more than another one-third increase in current capacity. These aircraft boosted the total number of airline planes just above the prewar peak; but because the average plane of today is considerably larger than the prewar models, total actual carrying capacity is substantially higher than it was before the war.





*Device for Waking Persons from Sleep, U. S. Pat. No. 226,265, granted 1882. Patent description supplied upon request.*

## How to wake up . . . the hard way

Just "set" the gadget above for, say, seven o'clock. And next morning it gets you out of bed . . . by dropping down and banging you on the head!

Most people, we feel fairly sure, would settle for an ordinary alarm clock instead. For why do things the hard way when there's an easy one at hand?

Take payroll-preparing as another case in point. There's an *easier* way to do that, too! It's the Comptometer Check-and-Payroll Plan . . .

and it can put an end forever to the perpetual filing, posting and book-keeping that bogs your department down.

One short form takes care of five operations! Because the system is so simple, you can complete the payroll and have checks in the employees' hands in a remarkably short time. And the Comptometer method is flexible. Every machine works a full week. There are no peak loads on one day.

Get a complete outline of this lower cost, quicker way from your nearest Comptometer Co. representative. There is no charge for his service. The Comptometer, made only by Felt & Tarrant Manufacturing Co., 1733 N. Paulina Street, Chicago 22, Ill., is sold exclusively by the Comptometer Company.

**COMPTOMETER**

REG. U. S. PAT. OFF.

*Adding-Calculating Machines and Methods*

## Why THESE THREE PREFER G-E



Users of fluorescent, lighting engineers and maintenance men are enjoying more efficient lighting by using G-E Watch Dog Fluorescent Starters. These manual reset starters have provided the utmost in all-around fluorescent lighting service in war factories all over the nation. That's why these three prefer G-E.



**1 Users**—are more satisfied with lighting fixtures equipped with G-E Watch Dog Starters because they banish annoying blink of dying lamps once and for all.



**2 Lighting Engineers**—specify G-E Watch Dog Starters because of their unusually long life. The Watch Dog outlasts five ordinary starters.



**3 Maintenance Men**—like G-E Watch Dogs because they simplify lighting maintenance to the easy job of pushing a reset button before relamping. Reset it...forget it.

For additional information write to Section G351-192, Appliance and Merchandise Dept., General Electric Company, Bridgeport, Connecticut.

BUY WAR BONDS AND KEEP THEM

GENERAL ELECTRIC

New York City, Schenectady, New Scotland, N. Y., and Washington, D. C. Announced objective was a system of relays over which telephone, telegraph, television, FM broadcasting, and facsimile can be carried simultaneously (BW—Nov.18'44,p42).

Principal low-altitude contender for a place in television's future has been the coaxial cable (BW—Feb.24'45,p70). Nonetheless, American Telephone & Telegraph Co. isn't taking any chances. More than a year ago, A.T.&T. sought permission to build experimental relay stations linking Boston and New York, to test "radio relay transmission of long-distance messages and television programs compared with transmission by the familiar wires and cables." Authorization for the two terminals was received by A.T.&T. last June (BW—Nov.18'44,p42), and this week it was announced that the company had asked FCC to let it build seven relay stations.

• **Raytheon's Program**—Raytheon announced its proposed radio relay system during the FCC spectrum allocation hearings last fall (BW—Nov.18'44,p42). The company filed applications in January for experimental relay stations in Boston and New York as the eastern foundation for the proposed network. The company later intends to file applications for relay stations linking Detroit, Chicago, Cleveland, and other cities east of the Rocky Mountains.

Raytheon proposes eventually to link the entire nation with a radio network, capable of replacing land lines in such communications services as facsimile and rural telephones as well as FM and television.

• **Merger Impending**—Coincident with these developments is the word that details of the merger of Raytheon Mfg. Co. and Belmont Radio Co. (BW—Mar.3'45,p26) are nearing completion.

## FOR QUICK CONTACT

Ground crewmen prepare to demonstrate the Army's latest feat—laying telephone wire by air. The technique developed by Bell Telephone Laboratories enables a transport to string 16 miles of wire in a few minutes, at more than 150 m.p.h. Equipment includes four snarl-proof coils and a metal tube (right) through which the wire is unreeled. Both ends are dropped by parachute. For laying lines over jungle treetops, this method will save the lives of Army wire stringers, keep communications beyond enemy reach. Peacetime prospects are limited mainly to emergencies.

## None in Any Pot

Chickens vanish from city markets as shorter supply and higher demands of armed forces stimulate black market.

City housewives who have long complained that butchers' refrigerators offered them little but poultry last week let out a cry of anguish when every chicken disappeared. They didn't have to be told the reason: black market.

• **Supply Down, Demands Up**—Largely understood are these factors contributing to that black market:

(1) The total supply of chicken meat will be 10% less this year than in 1944, according to official estimates. Farmers, discouraged by last year's low egg prices (BW—Dec.23'44,p49), raised 20% fewer chickens in 1944 than in 1943.

(2) Current high returns for eggs plus a six-year low in pullet replacement stocks, are saving the necks of many hens that would otherwise be culled at this season.

(3) Far more important to the civilian poultry supply, however, is the increased demand of the armed forces. Last December poultry processors in the nation's two leading broiler producing areas were ordered to set aside practically all their output for government buying.

(4) Last month another order (WFO-125) restricted the evisceration of poultry and turkeys to War Food Administration-authorized plants, and required those plants to set aside all their production for government buying until military requirements for canned poultry are met. Over the



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Bruce Barton, noted author and Metropolitan Policyholder.

## A policyholder reports on his life insurance company

**T**HIS YEAR, in making its Annual Report to 31,000,000 policyholders, Metropolitan decided to try something new.

We asked Bruce Barton, a policyholder, and a well known writer, if he would write the report. He agreed.

So he visited our Home Office, asked a host of questions, looked into the facts and figures. According to his report, the things he learned about the Company confirm what the Examiners of the State Insurance Department found. Following their most recent official examination of the Company they had stated:

"From this examination, it becomes evident that the Company is in strong

financial condition, that its affairs are ably managed, and that the business of the Company is being operated in the interests of its policyholders."

One out of every five persons in this country is a Metropolitan policyholder. If, like Mr. Barton, you are one of this group, you'll be more than interested in the things he learned. Even if you're not a policyholder, you cannot help but enjoy reading Mr. Barton's account of what Metropolitan did in 1944 for the benefit of policyholders and public.

If you'd like a copy of this Annual Report to Policyholders, entitled, "Something New in Annual Reports," write in for it. It's yours for the asking.

### BUSINESS REPORT FOR 1944

In accordance with the Annual Statement as of December 31, 1944, filed with the New York State Insurance Department.

#### OBLIGATIONS TO POLICYHOLDERS, BENEFICIARIES, AND OTHERS

<b>Policy Reserves Required by Law</b>	\$5,923,550,602.75
This amount, together with future premiums and interest, is required to assure payment of all future policy benefits.	
<b>Policy Proceeds and Dividends Held at Interest.</b>	296,078,543.16
These are funds left with the company to be paid in the future.	
<b>Reserved for Dividends to Policyholders</b>	114,154,637.00
Set aside for payment in 1945 to those policyholders eligible to receive them.	
<b>Other Policy Obligations</b>	67,579,917.19
Claims in process of settlement, estimated claims not yet reported, premiums paid in advance, etc.	
<b>Taxes Due or Accrued</b>	21,656,953.00
Includes estimated amount of taxes payable in 1945 on the business of 1944.	
<b>Special Reserve for Investments.</b>	104,368,000.00
To provide against possible loss or fluctuation in their value.	
<b>Miscellaneous Liabilities</b>	24,644,127.31
<b>TOTAL OBLIGATIONS</b>	\$6,552,032,780.41

#### ASSETS WHICH ASSURE FULFILLMENT OF OBLIGATIONS

<b>National Government Securities</b>	\$3,066,445,698.96
United States and Canadian.	
<b>Other Bonds</b>	1,919,930,288.87
Provincial, State and Municipal	\$ 98,069,228.70
Railroad	588,210,136.87
Public Utilities	769,116,680.34
Industrial and Miscellaneous	464,534,242.96
<b>Stocks</b>	104,596,021.13
All but \$2,407,086.53 are Preferred or Guaranteed.	
<b>First Mortgage Loans on Real Estate</b>	916,419,648.68
Farms	87,325,964.20
Other Property	829,093,684.48
<b>Loans on Policies.</b>	370,567,520.95
Made to policyholders on the security of their policies.	
<b>Real Estate Owned</b>	310,793,056.22
Includes \$49,148,672.32 real estate under contract of sale and \$146,808,180.56 Housing Projects and real estate for Company use.	
<b>Cash</b>	143,063,675.82
<b>Other Assets</b>	163,634,660.80
Premiums due and deferred, interest and rents due and accrued, etc.	
<b>TOTAL ASSETS TO MEET OBLIGATIONS</b>	\$6,995,450,571.43

Thus, Assets exceed Obligations by \$443,417,791.02. This safety fund is divided into

<b>Special Surplus Funds</b>	\$15,706,000.00	<b>Unassigned Funds (Surplus)</b>	\$427,657,791.02
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These funds, representing about 7% of the obligations, serve as a cushion against possible unfavorable experience due to war or other conditions and give extra assurance that all policy benefits will be paid in full as they fall due.

**NOTE:**—Assets carried at \$332,059,336.58 in the above statement are deposited with various public officials under requirements of law or regulatory authority. Canadian business embraced in this statement is reported on basis of par of exchange.

#### HIGHLIGHTS OF 1944 OPERATIONS

<b>Life Insurance in Force, End of 1944</b>	\$30,696,750,125	<b>Paid-for Life Insurance Issued During 1944</b>	\$2,064,042,459
<b>Amount Paid to Policyholders During 1944</b>	\$592,034,726.22		

## Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD

Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK 10, N. Y.







**You're Playing with Fire...**

**—Said the Censors**

"Sorry," said the censors, hush-hushing the details of this application, "you're playing with fire." And we were! But this much they let us tell:

In the process of extruding a certain highly combustible war material, the danger of fire is ever-present. For safety's sake the extrusion chamber must therefore be separated from its source of power. Hele-Shaw Fluid Power (oil under pressure) was chosen because it could be located safely behind a brick wall. The Hele-Shaw Pump with its constant-speed motor supplies "piped power" to the extruding mechanism. Simple handwheel-adjustment of the pump flow provides infinite extruding speed variations.

Variable discharge, ease of control, and ability to isolate the Hele-Shaw Pump from dangerous atmospheres are only a few of the many advantages for Hele-Shaw Fluid Power. Why not think of Hele-Shaw Fluid Power as *your* next motivating force? We'll be glad to answer your questions . . . and give engineering assistance.



**AMERICAN ENGINEERING COMPANY**

2521 ARAMINGO AVENUE • PHILADELPHIA 25, PA.

OTHER AE PRODUCTS: AE-TAYLOR & PERFECT SPREAD STOKERS, MARINE DECK AUXILIARIES, LO-HED HOISTS, DIAMOND FACE GRINDERS

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week end the order was modified to allow a portion of slaughtered, drawn and quartered fowl to be sold to civilians. Eviscerators producing less than 3,000 lb. a week were wholly exempt from the order; those producing between 3,000 lb. and 10,000 lb. weekly were authorized to sell to civilians amounts equivalent to their average weekly production in 1944. Large plants were permitted to release 10,000 lb. weekly for the civilian market. The action was designed to enable retail outlets to supply consumers desiring less than a whole chicken or turkey but officials said the revision would not make much more poultry available to civilians.

• **Marketing Declines**—Dept. of Agriculture specialists predict that marketings will decline seasonally in the next few weeks. What they know, but can't say, is that much of the available chicken and turkeys won't reach terminal markets where OPA supervision is more strict than it is in country districts.

On Monday of last week no railroad cars of live poultry arrived on the Chicago market; the day's total receipts were 29,092 lb. compared with 56,549 lb. on the corresponding day last year.

Total receipts of live poultry in four



### MECHANICAL MANICURIST

Hitting the consumer market is the Beautiator, a handy appliance for home manicure. Cased in plastic and powered by a 1/200-hp. motor, the machine comes with attachments designed to file and buff nails, scrub and loosen cuticle in a jiffy. Formerly sold only to beauty shops, Beautiators—made by Abar Mfg. Co., Cleveland—are selling for \$29.75 at Chicago's Marshall Field, Cleveland's May Co., and San Francisco's Emporium.

Principal markets (Chicago, New York, Philadelphia, and Boston) for the period Jan. 1 to March 12 were 25,593,000 net lb., compared with 42,289,042 for the corresponding period of 1944. Receipts of dressed poultry at the same time were slightly larger than in 1944—198,531 lb. compared with 54,955,000 in 1944, but some of this was for government use. Cold storage stocks of poultry for the entire country were estimated on Feb. 1 at 215,735,000 lb., compared with 239,993,000 last year. About half the present stock is government held. Civilian's share is 116,921,000 lb., compared with a 1935-1939 average stock of 130,612,000 lb. on Feb. 1.

**Com Belt Keeps Fowl**—To some extent the decline in market receipts is due to wartime population shifts. For example, Iowa, Kansas, and Nebraska normally make large shipments to the Chicago market, but this year their produce finds a ready market closer home, thanks to the bulging pocketbooks of war plant workers. Most of the decline can be chalked up to black market operations. For example, hotels and restaurants in some areas are currently paying 5¢ a lb. above ruling prices.

**Relief Due in June**—Some relief in the shortage can be expected after June 1, when the spring crop of broilers and layers is ready for market. But high consumer incomes, plus the fact that this year's per capita supply of red meat, after the week-end order reducing the ration quota 12½%, is only 130 lb., compared with 146 last year, add up to continued sharp competition for the meat supply.

One bright spot is that early reports from processors to the Bureau of Agricultural Economics indicate that farmers intend to raise 39,481,000 turkeys, an 8% increase over last year.

## FARM POWER COST STUDY

A detailed cost and production analysis of uses of electricity on a small farm is being obtained under careful test conditions on a 160-acre dairy in Trumbull County, Ohio.

The first two months showed an operating profit of \$6.65 over the \$10.92 cost of electricity, although such a profit was not expected until such units as a deep well pump had been installed. The project is being sponsored by the Ohio Public Service Co. and the Westinghouse Electric & Mfg. Co. The Doane Agriculture Agency, St. Louis farm management concern, is analyzing the results.

Time and motion studies are being made of all farm work before and after

# Tops in Protection



Against surprise attacks  
— it's scouting planes



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We will gladly give you recommendations and a free estimate. Write now—and ask for a free copy of our 32-page book on Cyclone Fence. All about 14 kinds of fence, also gates, window guards, wire mesh barriers. Packed with pictures and specifications. All the facts you need to select the right fence for your property. Mail the coupon.

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**UNITED STATES STEEL**



## MORALE-BUILDER ON WHEELS

**K**EEPING clean is a great habit with American fighting men. Uncle Sam is seeing to it that facilities are available wherever possible, thanks to the foresight of our military medical authorities. It's essential and it's morale-building.

The Mobile Disinfector and Bath Unit, built by Cleaver-Brooks, is an ingenious machine that rids clothing, mattresses, blankets, of vermin; that serves as a surgical steam sterilizer in emergencies. It can also be used as a portable shower-bath unit, drawing water from a nearby stream or other

Clothing and bedding are placed in the disinfecting chamber and subjected to 250° temperature plus live steam for effective decontamination and vermin destruction.

source, heating it to a comfortable temperature for showers for six to twelve men at a time.

The engineering and manufacturing skill gained in building oil-fired steam generators and bituminous heating equipment made it possible for Cleaver-Brooks to provide these perfected, highly efficient, portable units for our military services in the record time required. The Mobile Disinfector and Bath Unit is only one of many types of Cleaver-Brooks oil-fired portable heating equipment being used by our armed forces.

# Cleaver-Brooks

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★ CLEAVER-BROOKS PRODUCTS INCLUDE: ★



Steam Generators



Food Processing Equipment



Tank Car Heaters



Oil & Asphalt Heaters



Special Military Equipment

installation of electrical equipment. Typical was the computation of the cost of grinding mower sickles. When sickles were taken to town each sharpening cost 75¢, or a total for the harvest season of \$12. Sharpening at home by hand cost \$5.49, including 21 hours of labor.

A one-third hp. electric motor was installed with an emery grinder, which the cost of sharpening was reduced to 3 hours labor at 25 cents, plus 3 kwh. electricity at 3¢, an overall total of only 78¢. Assuming that on nearly half the sharpening was done at home and half by hand, the seasonal saving was \$7.96, about half the cost of the \$15.30 grinder.

## Tobacco Ruse

"Patronage dividend" pledge of growers' cooperative ruled illegal in latest maneuver to get control of cigar leaf.

When the War Food Administration slapped a freeze order on the sale of cigar tobacco last year to insure equitable distribution, some cigar makers sent their best quarterbacks into a huddle to devise a touchdown play—control of the choice Lancaster County (Pa.) crop.

• **Growers' Co-op Involved**—Despite brilliant maneuvering, WFA blocked every play (BW—Feb. 3 '45, p. 32). Last week unnamed manufacturers tried a forward pass, only to have it ruled incomplete by a U. S. District Court in Philadelphia. This time OPA was in WFA's lineup.

The new scheme—and all the others—was based on giving growers a premium price so the manufacturer could corner the tobacco supply. The Lancaster County Tobacco Growers Assn., a stock cooperative, would have its 6,000 members deliver their tobacco to a manufacturer's warehouse, where it would be processed by the association and packed in boxes supplied by the manufacturer.

Thus the association would be qualified to receive packer prices for the tobacco—30% more than OPA allows growers. Seemingly assured of the premium price, the association lined up its members with advance assurance of a "patronage dividend" payable when the tobacco was sold.

• **Dividend Is Outlawed**—But OPA stepped in and upset the plans, pointing out, among other things, that Pennsylvania laws prohibit the declaration of a patronage dividend until actual profits had been determined, either at the end of a fiscal year or at the end of six



# RICKENBACKER SEES TWO FUTURES AHEAD FOR AIR TRANSPORT

"There are TWO futures ahead—not one—for America's air transport. The first is the job of reconversion to our peacetime economy. In this job air transport will use planes designed before the war—hitherto unavailable because of military needs. Greater speeds, greater comfort will be inherent in such planes.

"We are now busy with the second phase of development. In fact, we have already contracted for a fleet of Lockheed Constellations, largest and fastest four-

engine transport plane in the world, and a fleet of Curtiss (CW-20 E) Commandos, largest and fastest twin-engine transport plane. With a speed of more than 300 miles per hour, our Constellation passengers will find themselves leisurely journeying from New York or Boston, Chicago or St. Louis, to Miami in from four and one-half to five hours."

by EDDIE RICKENBACKER, President and General Manager Eastern Air Lines, Inc.



## "Comfort-protection" to be provided by AiResearch

Jot down "new air routes" as something to expect postwar. Set them at 20,000 . . . 25,000 . . . even 35,000 feet—up where thinner air makes for smoother, faster, more economical flight.

Make note of AiResearch "comfort-protected" cabins, too. These will be peacetime versions of the pressurized cabins which today make high altitudes livable for Boeing B-29 Superfortress crews.

"Comfort-protected" cabins will do the same for you in future airliners. AiResearch-perfected

devices will seal thin, icy-cold air outside your cabin, keep the pressure *inside* measured to your personal comfort. Other AiResearch controls will free your cabin of smoke and odor, keep it cozy-warm in winter, refreshingly-cool in summer.

And that's not all. Just wait and see what future wonders of air and temperature control AiResearch will bring to your living on the ground! AiResearch Manufacturing Company, Los Angeles and Phoenix.



"Where Controlled Air Does The Job" • Engine Oil Cooling Systems  
Supercharger Aftercooling Systems • Engine Air Intercooling Systems  
Temperature Control Systems • Automatic Exit Flap Control Systems  
Cabin Pressure Regulating Systems



months if the co-op had regular semi-annual dividend periods.

The court restrained the association from promising in advance that it will pay a dividend at any time; from representing that it will pay such dividends except at the end of a fiscal year or at intervals of not less than six months; and from leasing any premises for the packing and storage of tobacco for the growers or purchase of storage cases on the understanding that the tobacco will eventually be sold to the lessors of the buildings or the sellers of the packing cases.

An interested spectator in court was the Farm Credit Corp. of the Dept. of Agriculture which had lent the co-op \$500,000.

• **Conditional Price Banned**—Last month, Bayuk Cigar Co. was involved in discussions with OPA over charges that the company was making agreements with growers who were unwilling to sell at the ceiling of 21¢ a lb. for wrapper tobacco, 7¢ a lb. for filler.

OPA charged that the growers agreed to deliver their crops at the company warehouses for packing and processing, on the promise that an increased price would be paid later on, if OPA elevated the ceiling price.

Court decrees were entered against the transactions.

• **Cross-Buying a Headache**—Most troublesome evasion of all for OPA is "cross-buying."

Under this, a manufacturer's buyer approaches Farmer Smith, for example, and tells Farmer Smith that he will get a commission of say \$250 if he can get Farmer Brown to sell his tobacco crop, worth \$1,000 at ceiling prices. The buyer then hurries to Brown, and promises him \$250 if he can get Farmer Smith to sell. In this way both farmers get \$250 above ceiling price.



Under Nebraska's truck-loading laws for wartime, Eaton Transport Co. can operate its big tank-trailer which the Fruehauf Trailer Co. enlarged one-third by welding in a new section—to take advantage of the liberalized regulations.

## Truck Formula

Eleven western states get together on maximum lengths and loads. Colorado is latest one to adopt new standards.

With the enactment of Colorado's new truck law, eleven western states are now united for the first time on maximum limits for vehicle lengths and loads. This legislative uniformity means that the same equipment may be used in any of these states without necessity of interchange at state borders or delays to reload in conformity with limits of less than 68,000 lb.

• **Load Limits Set**—Standards of the so-called "Reno formula" have been adopted by Washington, California, New Mexico, Arizona, Idaho, Wyoming, Utah, Montana, Nevada, Colorado, and Oregon—all on a "permanent" basis except Oregon.

The formula calls for a length standard based on combinations of vehicles—truck-tractor and full trailer, tractor semitrailer, single truck, etc.—and for load limits based on axle capacity and length in relation to number of axles.

• **Maximum Is 60 Ft.**—Colorado's new law provides for a maximum 60-ft. length over-all for combinations of vehicles, including tractor semitrailer rigs. Formerly the limit was 50 ft. for combinations and 40 ft. for tractor semitrailers. Maximum gross weight of combination rigs is governed by a formula based on length between axles.

Top weight of three-axle single trucks is set at 46,000 lb. (formerly 34,000 lb.) and for two-axle single trucks 30,000 lb. (formerly 24,000 lb.). The new limit is 18,000 lb. gross weight per axle.

Oregon extended for two years wartime limit of 60 ft. vehicle length and weight up to 71,250 lb.

• **New Ton-Mile Tax**—Wyoming recently enacted a law permitting combinations of full truck and trailer up to 60 ft., tractor semitrailer rigs up to 60 ft., and single truck to 40 ft. The law allows a weight up to 73,950 lb. for a full truck and trailer combination.

A measure also was passed by Wyoming imposing ton-mile taxes on the following basis: One mill per ton-mile for truck or truck-tractor, 14 mills on tractor semitrailers, 2 mills on full trailers. The new levy is indicative of a trend toward concomitant taxes to compensate for increased vehicle sizes and weights.

• **Legislatures Easing Rules**—Liberalization of truck size and weight laws have been confined to the West. Legislatures apparently impressed by the war in trucks are doing, are generally easing restrictions on truck transportation.

Another consideration is the fact that a vast federal-aid roadbuilding program is planned for the postwar years. Meanwhile, organized trucking industry groups have been fighting more strenuously than ever to break down barriers to interstate traffic and to bring about a better traffic flow within the states.

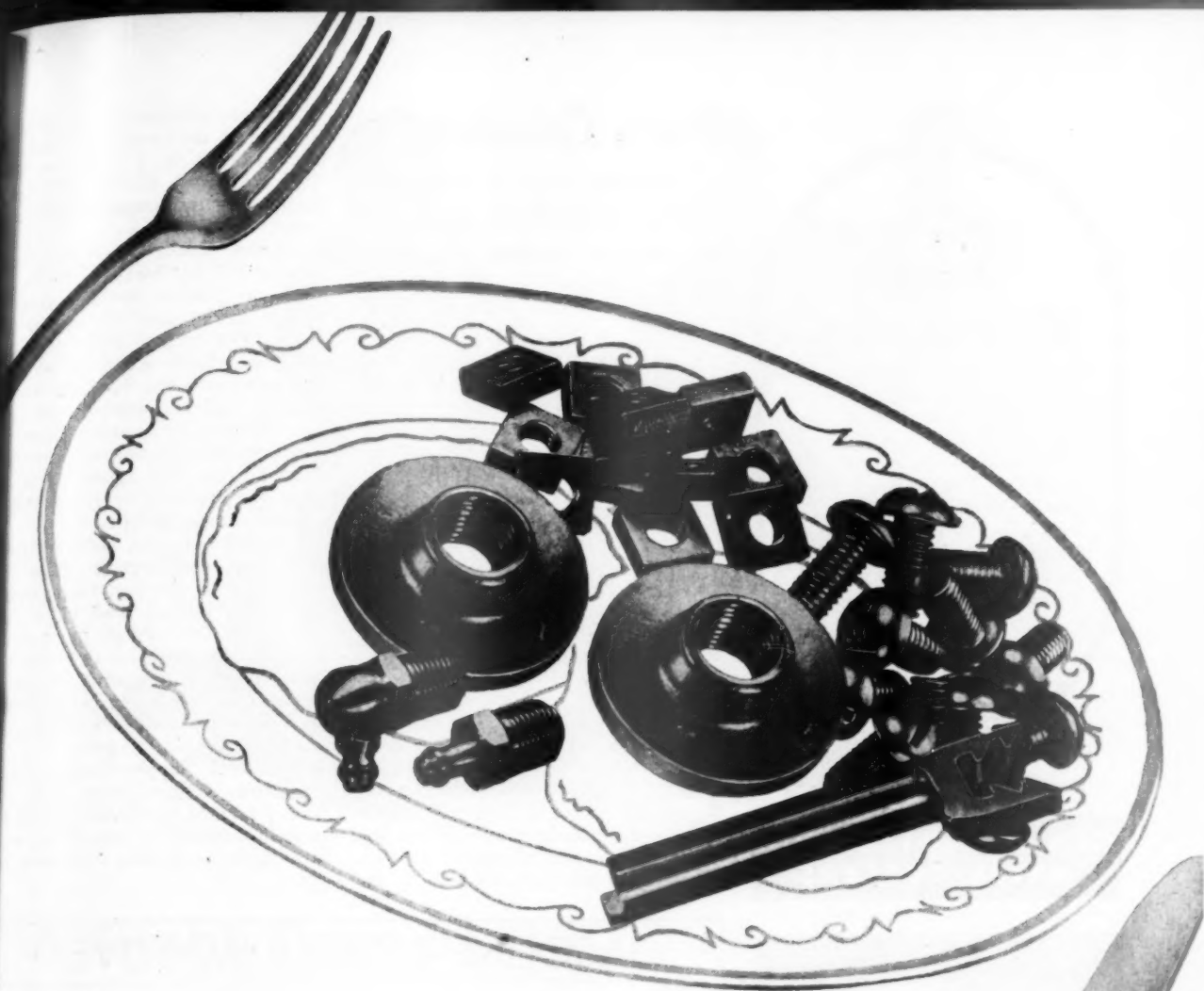
• **Some Protests**—State highway officials are complaining that overloading of trucks is causing rapid breakdown of many roads. At the last meeting of the American Assn. of State Highway Officials, it was reported that if trucks continue to ignore load limits, they may incur the wrath of state legislatures and bring a tightening up of restrictions.

A move to increase over-all width of trucks and buses, thus providing better roadability, has been started in Michigan and a few other states. However, these proposals are subordinated now to the general loosening up on truck load limits.

• **Some Setbacks**—On the other hand, gains have not been made in every instance where proposed. For example, Indiana's Gov. Ralph E. Gates recently vetoed a measure which would have permitted vehicle combinations up to 65 ft. on designated routes.

But Tennessee has increased permissible gross weight of vehicles to 42,000 lb. (formerly 30,000 lb.) and combination vehicles lengths from 35 ft. to 45 ft. and of a single vehicle from 27 ft. to 35 ft.

Legislation liberalizing truck regulations is pending in several states, including New Hampshire, Iowa, and Pennsylvania. North Carolina recently increased permissible vehicle lengths from 45 ft. to 48 ft. and weight limits from 40,000 lb. to 50,000 lb. North Dakota also eased its truck regulations and lowered its ton-mile tax.



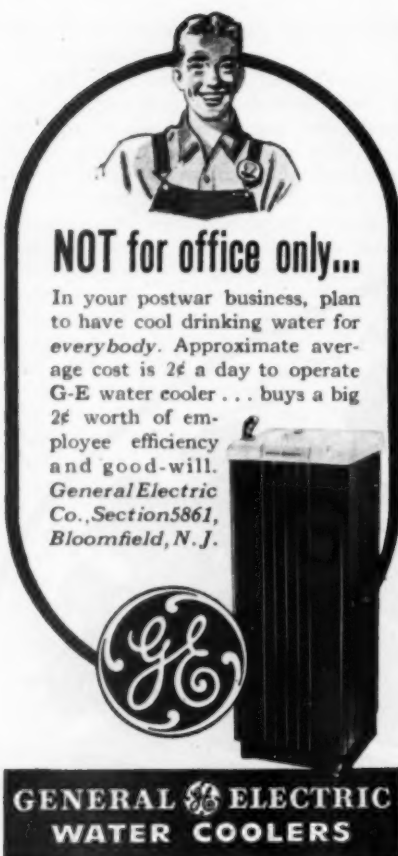
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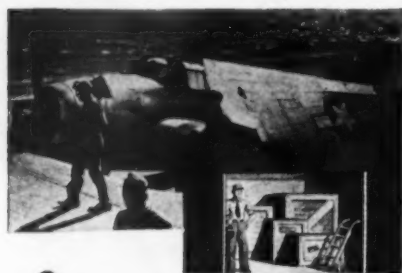


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Today Sedgwick airplane elevators, ammunition hoists and deck machinery are serving with the Navy, Coast Guard, Merchant Marine and Army. Tomorrow Sedgwick Electric and Hand Power Elevators and Dumb Waiters will solve many "man" handling and materials handling problems.

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**ELEVATORS • HOISTS • DUMB WAITERS**

## More Gasoline

Stocks in U. S. at highest level in nearly three years, but increase in civilian allocation goes to nation's farms.

Gasoline stocks in the United States reached their highest level in nearly three years in early March, but the gain will not result in any increase in the amount allocated civilians generally.

• **Farm Supply Raised**—Staging their seasonal spring rise, stocks were estimated by the American Petroleum Institute to total 97,603,000 bbl. of 42 gal. each as of Mar. 3. This is the highest since May 16, 1942, when stocks were 99,134,000 bbl. (The two figures are not fully comparable because of "adjustments" made in the statistics compiled by A.P.I. between the two dates; however, they are valid for general comparative purposes.)

Dampening possible undue optimism over this improvement, the Petroleum Administration for War announced last week allocation of civilian gasoline for the second quarter of 1945 will amount to 1,276,000 bbl. daily, only 19,000 bbl. greater than in the like quarter of 1944. All 19,000 bbl. are assigned to the

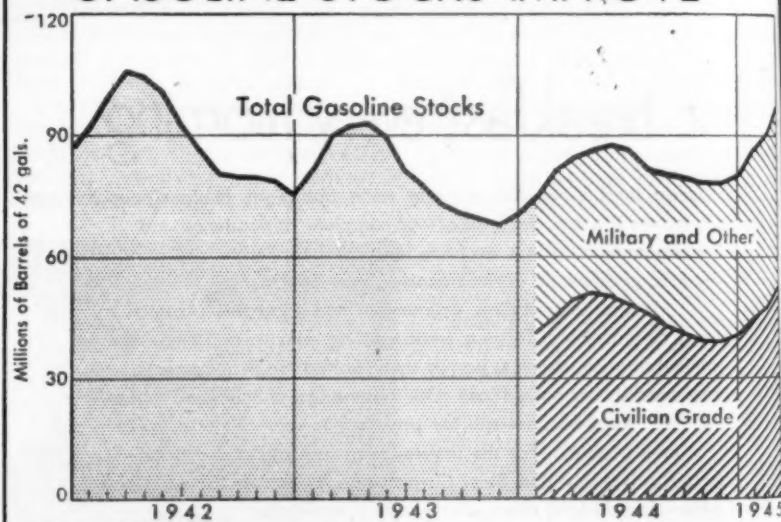
War Food Administration for farm mechanization to help farmers reach 1945 crop goals (BW—Jan. 27 '45), despite a tighter manpower situation on farms.

• **Aviation Stocks Up**—Since January 1944, A.P.I. has broken down its estimates on gasoline stocks to show civilian grade, and (2) military and other. The former includes gasoline which eventually might go into military motor vehicles. The latter includes aviation, military, solvents and naphthas, blending stocks whose ultimate use is not determined, and unfinished gasoline. Further, the figures do not include gasoline held by the military in its own storage facilities.

The A.P.I. figures, partly estimates, show that civilian-grade stocks have risen 6.3% in the past twelve months and that "military and other" has climbed 26.7%. While much of the latter rise presumably is in aviation gasoline, PAW is preparing for further increases in 100-octane gas production by authorizing construction of five new plants (BW—Mar. 3 '45, p. 46).

• **Five-Week Supply**—Despite the increase in civilian grade stocks, the Mar. 3 total of 52,589,000 bbl., even entirely assigned to civilian use, represents little more than a five-week supply.

## GASOLINE STOCKS IMPROVE



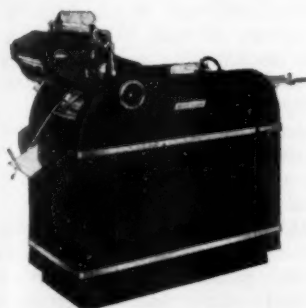
While gasoline stocks now are at their highest point since May, 1942, according to American Petroleum Institute statistics, the principal increase over the past year has not been in stocks of civilian grade gas, which rose 6.3% from March, 1944, to 1945, but in stocks classed as "military and other," which were up 26.7% over the same period. This is believed due largely to expanded production of 100-octane gas. Civilian allocation for the second quarter of 1945 remains virtually unchanged from a year ago.



## A Slight Error of \$100,000

**A** LEADING rubber company was using a large sheet for its tire factory orders. It carried complete data, formulae for batch mixing, production instructions, etc. Numerous copies of the order were required.

Illegibility of words and figures in some of the copies caused mistakes—a 3 would be mistaken for a 5—a 6 for an 8—batch mixes were spoiled—materials lost—time wasted.



**Multilith Duplicator Model 1250**

Multilith Models from \$395 to \$3,725  
Multigraph Models from \$150 to \$2,035

Investigation disclosed that misreading of figures due to faint impression, blurred reproduction or misalignment was costing at least \$100,000 a year.

### New Duplicating Methods Stopped Losses

The company installed a Multilith duplicator using a Systemat as the reproducing master sheet for the large factory order form. The Systemat comes to them with the form itself already on it in reproducing ink, and the production specifications are typed or written in directly on the Systemat. Both are reproduced in a single run in any desired number of copies. Each copy is in perfect alignment, each accurate

and clear—last copy as legible as the first. Errors have been eliminated, losses stopped.

Multilith Systemat duplicating is a recent development, new to many businesses. It opens up scores of ways in many different departments to revolutionize paper work systems, to lighten monotonous, painstaking repetitive work and save time and money. Find out what it can do for your company. Phone our local office or write the Research and Methods Department of Addressograph-Multigraph Corporation, Cleveland 17. Sales agencies with service and supply departments in all principal cities of the world.

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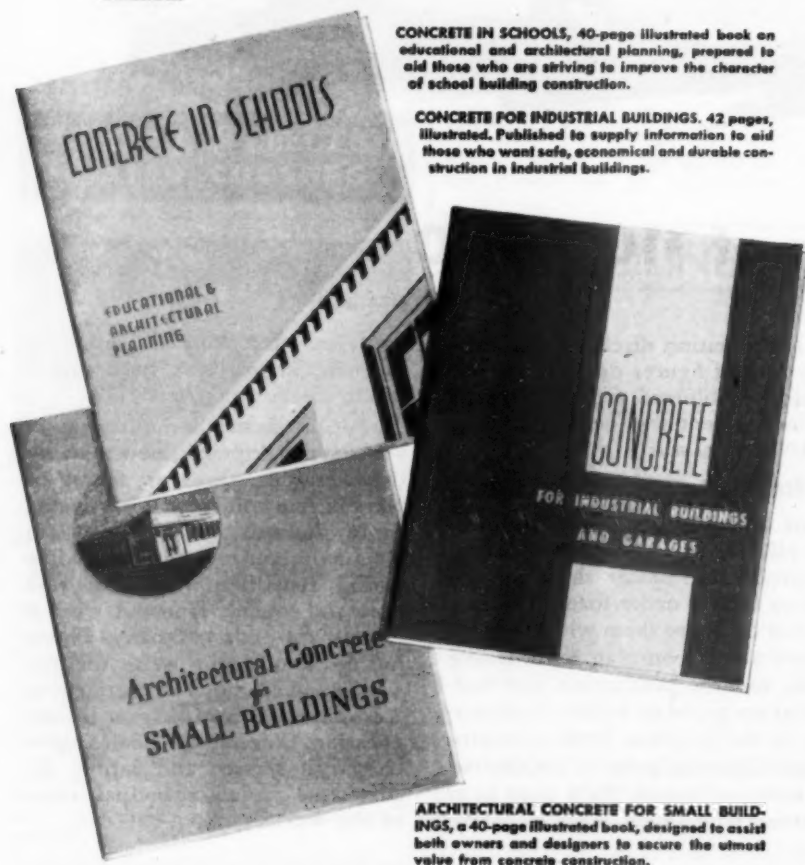
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**BUY AND KEEP MORE WAR BONDS**

## FDA Plugs Gap

Obtains WFA agreement to insure conformity with law in sale of spoiled food surpluses to commercial purchasers.

The Food & Drug Administration has stepped in to control government sales of off-grade, contaminated, or adulterated food surpluses before they reach commercial channels.

**• Procedure Defined**—FDA now has War Food Administration's signature to a joint agreement which defines the procedure to be followed in disposing of such surpluses. The agreement provides for close liaison between WFA and FDA and insures that spoiled food will be brought in conformity with the Food, Drug & Cosmetic Act before title passes from WFA's office of supply (merged with the Commodity Credit Corp. in the latest reorganization) to a commercial purchaser.

Heretofore, FDA hasn't entered the picture until surplus foods filtered through to the trade. WFA officials have maintained that the amount of food which goes bad on their hands is insignificant, but FDA officials say that a good many seizures during the past year or more have involved food sold as surplus by WFA.

FDA's horrible example involves 400 bbl. of dried eggs that weren't up to par. They were sold by WFA at 10¢ a lb. for use in animal feed. The buyer resold the eggs at 19¢ a lb., even before paying off the government. One lot subsequently changed hands at 84¢ a lb. (good eggs bring \$1.26 a lb.). FDA found the eggs in the hands of bakeries and confectioners. Part of the batch is still unaccounted for.

**• A Practical Difficulty**—FDA's administrative practice has precluded seizure of government property—except on the express invitation of the agency involved (principally because of the legal complexities which would result if the government went into court to get authority to seize the government's property).

Both FDA and WFA disclaim any interagency ill will. WFA's failure to come around to such an agreement months ago appears to be attributable chiefly to that agency's frequent reorganizations. It wasn't until Federal Security Administrator Paul McNutt took a hand in the matter that WFA signed on the dotted line.

FDA has refrained from using its only weapon in such cases—publicity. The only publicity given to FDA seizure of food which had passed through WFA's hands came from Illinois state



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Officials who had helped in rounding up a lot of canned salmon which had fallen prey to bacteria.  
**WFA's Responsibilities**—The agreement provides that WFA shall be responsible for destruction, denaturing, rebranding, or relabeling—as the case may be—of off-grade surpluses. Officials of both agencies point out that WFA has not knowingly sold off-grade surpluses for human consumption.

Thus far, FDA has had no need of a similar written agreement with other surplus disposal agencies. Informal understandings have been worked out with the Army and Navy (which sell small lots of surplus foods locally) and with the Procurement Division of the Treasury (which sells surplus drugs and medical supplies).

## Break for Candy

Army Quartermaster Corps recommends that WFA reduce its 50% set-aside on 5¢ candies. Civilians will benefit.

Candy-hungry civilians may get a break next month. The Army's Quartermaster Corps has recommended that the War Food Administration reduce its 50% set-aside on 5¢ candy when the current order expires Mar. 31.

• **5¢ Items More Profitable**—In setting the quota at 50%, WFA may have underestimated the country's production of 5¢ items, which has increased substantially in relation to total candy production since the war made raw materials costly and scarce, because these items offer a better profit margin (BW—Dec. 25 '43, p. 38).

When the Jersey City quartermaster depot reported that some of the candy covered by the order—marshmallow bars, for example—were not suitable for overseas shipment, some manufacturers were given piecemeal releases from the set-aside. But the over-all order remained, partly to make sure the Army got all it wished of the types of candy it particularly wanted.

• **Civilian Supply to Rise**—If the set-aside is reduced to 35%, as the trade expects, about 225,000,000 additional pounds of candy may be added to the present annual civilian supply, according to the National Confectioners' Assn.

Probably not all of this would reach civilian counters, however—manufacturers would try to sell some of the released candy to domestic post exchanges because these sales are exempt from their sugar quota. That quota has dropped steadily—from 80% of 1941 usage in the last quarter of 1944 to 70% in the first

Oh. Mr. Weather-bottom...

## ETCHINGS ARE OUT

Evidently "Mr. Weather-bottom" doesn't know that Meyercord Decal Name Plates are the accepted practice today; an established combat-tested routine for such precision equipment as cameras, radar, combat communications, optical devices and other fine products. Types C and G Decals are commonly applied to crinkle, aluminum, federal gray enamel, and practically any easy or difficult finish.

In properly evaluating Meyercord Decal Name Plates bear in mind that to "color" and "clarity" must be added speed, economy and a total lack of "edges" to catch dirt. No holes need be bored for Decal Name Plates and the indication, trademark, chart, direction or diagram is permanent and positive.

Both for your priority and postwar requirements plan for modern economical Meyercord Decals for Wiring Diagrams, Lubricating Guides, Operating Instructions, Stowage Charts, Spare Parts Listings, Communication Designations, Trademark, Nameplates, etc. Free design and technical service. Write to Dept. 2-3.

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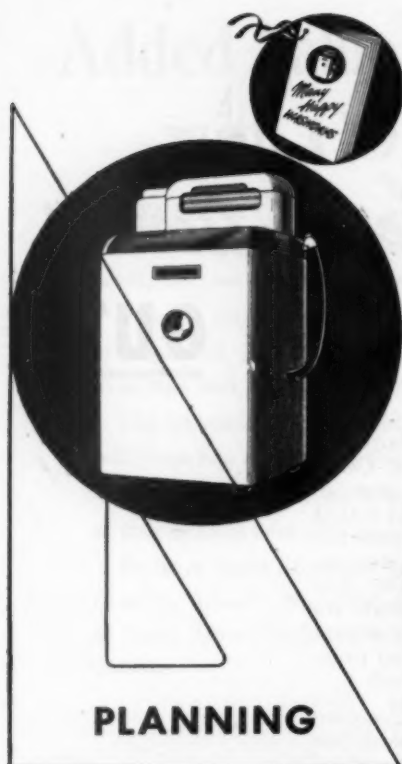
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## MEYERCORD DECALS



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But to get these new machines into the hands of housewives will require the combined skill of illustrators, writers, printers, engravers, and lithographers . . . salesmen on paper who will help to move tomorrow's products from the factory into the home.

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quarter of 1944, to 65% in the second quarter, and promises to go lower (page 42).

• **WMC Order Hurts**—Limiting factor on civilian candy production is manpower, however; some manufacturers can't get enough help to use even their reduced sugar quota. For this reason the industry is up in arms against the War Manpower Commission program of transferring workers from nonessential to critical industries (BW—Mar. 17'45, p94), particularly as it affects the Chicago area. Under this program, non-essential industries must cut labor forces 10% below specified ceilings.

The order hits the candy industry hard, because Chicago produces almost one-third of the country's total candy tonnage; about 40% of the total value. The city is the center for bar candy, and particularly for the 5¢ items.

What irks candy men most is that the labor cut must be taken from the few male employees they have managed to keep thus far, despite the lure of higher wages in other industries. Their employment of women workers has jumped from 61% in 1939 to about 70% now. This, they claim, makes their remaining males all the more essential, for heavy physical work, and for supervisory jobs requiring skill and experience.

• **Where the Blow Will Fall**—Not all factories are affected, since Chicago candy manufacturers now average 8% under their male employment ceilings

### TO THE LADIES

By court order, Chicago's 42-story Mather Tower goes on the auction block Apr. 6 to finance a projected home for aged women. The sale is specified in the will of Alonzo Mather, who died at 92 in 1941 and left an estate of \$6,000,000—most of it from the Mather Stock Car Co., which holds patents on livestock cars. The white tower, with 110,000 sq.ft. of rentable space, was completed in 1927 at a cost of \$2,000,000 and was one of the earliest structures on the city's elevated Wacker Drive. The will also stipulates that the Alonzo Mather Aged Ladies Home shall be located—unlike other such institutions—in an area which is busy, not rural and boring. The first site considered was on Chicago's Sheridan Road; two sets of trustees are now busy looking for another place where the women will get excitement, less gasoline fumes.

and 4% under their female ceilings. But the majority will be hit the hardest because the men they refer to the United States Employment Service must be those who can qualify for war work. This means they are more likely to lose machinists and engineers than marginal workers hired during the war.

Base for the cut is the number of employees on the payroll in the last pay period of March, 1944. But some Chicago firms—among them a candy maker—complain that WMC has arbitrarily given them a later base period—one for example was shifted to January, 1945—when labor forces had already shrunk. Thus the practical effect is a double cut.



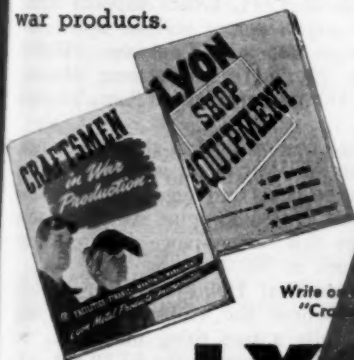
# LYON

## If Your Urgent War Products Include Parts and Sub-assemblies in Sheet Steel and Aluminum

Lyon's facilities for efficient production of sheet metal parts, both steel and aluminum, have helped hundreds of firms speed war production. The 3800 war contracts we have handled to date include a wide variety of parts and sub-assemblies for aircraft, ships, guns, mobile units and tanks.

We are looking for war work until victory is won. Facilities include modern equipment for perforating, blanking, forming, assembling, drawing, enameling, annealing and lacquering. Complete tooling facilities in all plants.

Investigate utilizing Lyon facilities plus 44 years of experience in sheet metal fabrication to help you meet schedules on your vital war products.



Write on business letterhead for book "Craftsmen in War Production"

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Do your post-war products include sheet steel or aluminum? Check Lyon's manufacturing and designing facilities.

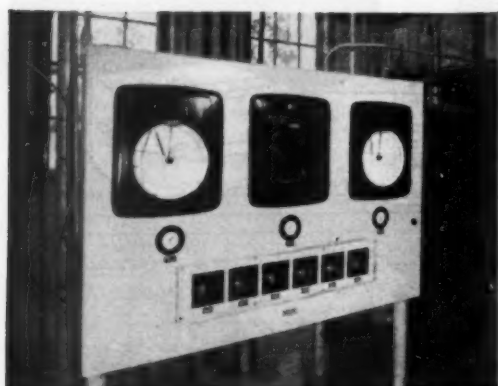


# 3 RED LETTER DAYS on Industry's Cost-Reduction Calendar

**1** The Day water wheels gave way to Watt-developed steam engines...



**2** The Day hand tools gave way to power tools...



**3** The Day "rule of thumb" gave way to automatic control was another industrial red letter day. Close control with modern instruments—Foxboro's specialty—has helped manufacturers do the impossible with production, quality, costs!

**--and the last is first  
in many manufacturers' minds today!**

To get the jump on your postwar competitors, you'd do well to consider controlling your processing *closely* with Foxboro Instrumentation.

As the wartime experiences of the petroleum, plastics, textile, rubber, and many another industry prove, there is no swifter way to boost output... no sounder way to lower costs.

Today, call in a Foxboro Engineer. If there's a step in your processing that can be improved with Foxboro temperature, pressure, flow, or humidity Control Instruments, he'll spot it immediately... to your lasting profit! Phone, wire, or write... The Foxboro Company, 120 Neponset Avenue, Foxboro, Mass., U. S. A.

## 1 FOXBORO

TO MEASURE AND CONTROL TEMPERATURE, PRESSURE, FLOW, HUMIDITY

## Sugar No Easier

Production will be higher than in 1944, but the increase—possibly more—will be sent to liberated Europe.

War Food Administration officials see no prospect of increasing industrial civilian sugar rations this season.

• **Bigger Yield Offset**—Production available to the United States (domestic and offshore) will be 300,000 to 600,000 tons larger than in 1944, but all this—and possibly more—probably will be sent to Europe.

The Foreign Economic Administration wants 500,000 tons for France alone. France is normally self-sustaining as far as sugar is concerned. During German occupation production was 600,000 tons of beet sugar, Germany supplying the coal needed by refineries. Since Allied occupation, only 200,000 tons of sugar have been produced.

• **Candy From Cuba**—This year's Cuban crop may total more than 5,000,000 tons of raw sugar, of which 4,000,000 tons will be available for continental United States. Last year we got 3,800,000 tons from Cuba.

Of the Cuban crop, the British and Canadians will get about 600,000 tons (more if the crop turns out larger) and the Cubans want to reserve 400,000 tons (250,000 for themselves, and 150,000 for sale in other Latin-American countries which pay higher prices than the U. S.).

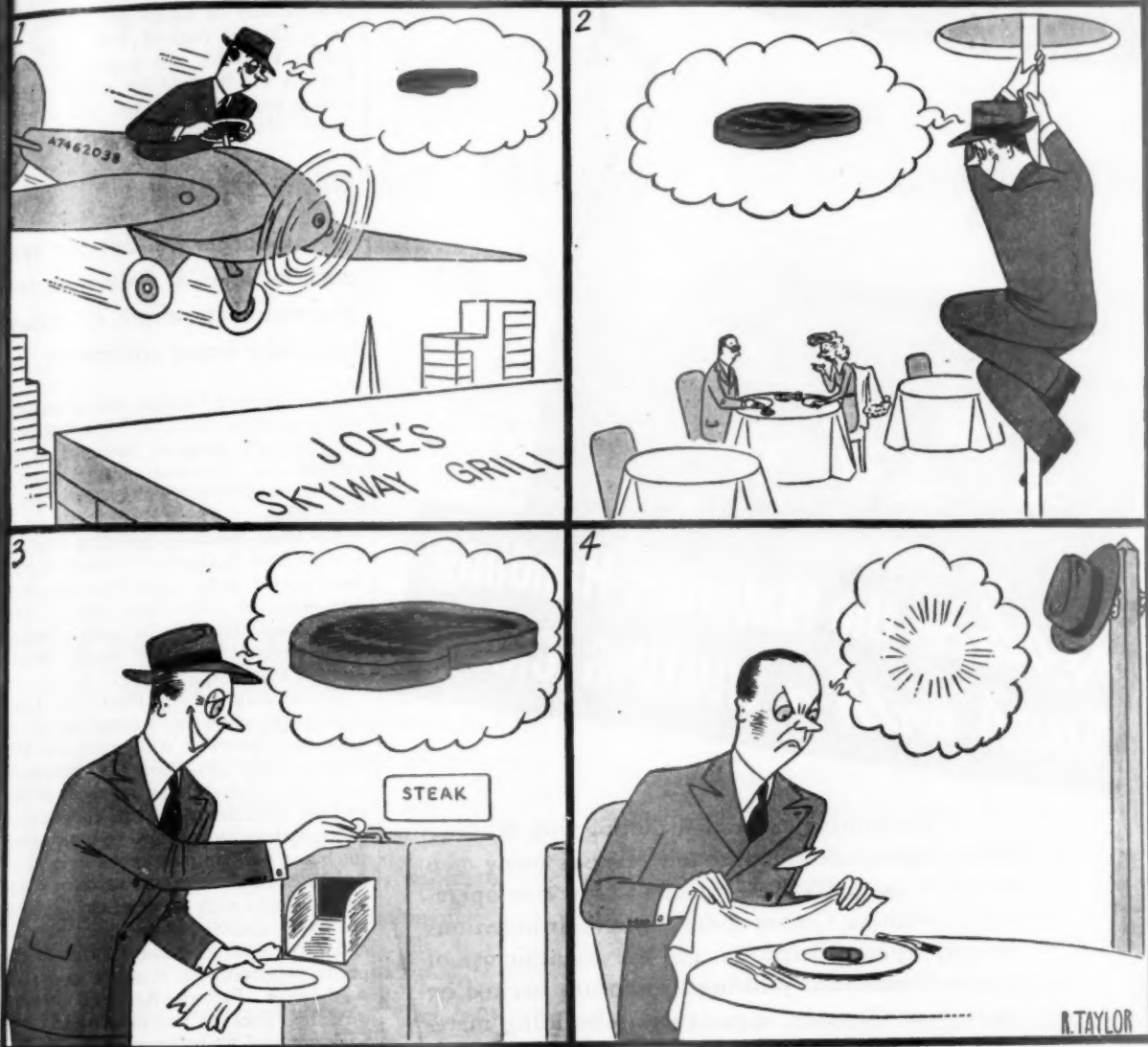
The Cubans have increased their own requirements from the 200,000 tons in recent years to increase the production of hard candy for export to the United States at higher prices than they can get for sugar.

• **Beet Sugar Output Up**—This year's sugar beet crop in the United States is expected to yield 1,100,000 tons of sugar, against the 1,000,000 tons produced in 1944. Other supplies from cane sugar sources will be about the same as last year: Louisiana, 450,000 tons; Florida, 90,000 tons; Hawaii, 850,000 tons; and Puerto Rico, 950,000 tons.

Big question mark is the Philippines, where the War Dept. is now surveying the cane fields and sugar mills. Official guesses as to Philippine sugar available for us this season range from zero to as much as 300,000 tons.

• **Flour Deal Helps**—Most sugar-trade men believe the Cubans are playing practically a sure thing in refusing to sell the 1946 crop at the \$3.10 per cwt. the War Food Administration is paying for the 1945 output (BW—Mar. 17 '45).

## How automatic oughta meal be?



You may taxi around in helicopters some day, and do business by television. But when it comes to eating, no sprig of parsley and a pill will ever replace a good square m-e-a-t.

Old-fashioned food, however, will reach you tomorrow in exciting new forms. The pick of orchards, farms and oceans will be yours, year round . . . at peak flavor, waste-free.

For already the food industries are planning new techniques to improve your post-ration table. And wherever

new techniques appear, new *cleaning* methods will, too.

That's where Wyandotte Specialized Cleaners, and the expert guidance of Wyandotte Men, are proving so helpful to the food industry. Able to adapt to fast-changing conditions brought by quick-freezing, canning, dehydration, this team writes its own book of answers as the problems demand.

These war years may have meant new ways of doing things for you,

too. If they call for a new approach to cleaning, call Wyandotte! On the job in every industry and business, Wyandotte offers both efficiency and economy, whether you want to wash an orange, dish, or airplane casting.



**Wyandotte**  
REG. U. S. PAT. OFF.

OFFICES IN PRINCIPAL CITIES

**WYANDOTTE CHEMICALS CORPORATION—WYANDOTTE, MICHIGAN**

Specialized Cleaning Materials for Business, Industry and the Home • Alkalies • Chlorine • Calcium Carbonate • Calcium Chloride • Dry Ice • Other Basic and Intermediate Organic and Inorganic Chemicals



Mechanized materials-handling with Whiting Cranes speeds production and releases many men for other work. High efficiency and low cost operation of Whiting Cranes comes from their ingenious design, expert fabrication, and the scientific use of selected materials. Whiting Cranes are backed by more than 60 years' experience in building materials-handling equipment.

For detailed information write the Whiting Corporation, 15661 Lathrop Ave., Harvey, Illinois.

BUILDERS OF QUALITY CRANES

FOR OVER 60 YEARS

Dependable · Quiet-Running · Durable

**WHITING**  
Overhead **CRANES**  
Traveling

p8). The price paid for the 1944 crop was \$2.65 per cwt.

Part of the consideration in the decision fixing \$3.10 per cwt. for the 1945 crop is a subsidy of \$2.35 per 200-lb. bag on 1,200,000 bags of flour to be exported to Cuba; also a guarantee that Cubans will have to pay no more than ceiling prices for rice and lard shipped to the island this year.

## Port Plans O.K.'d

Georgia will develop new dock facilities at Savannah and Brunswick in effort to regain important water commerce.

The state of Georgia has taken preliminary steps in a \$15,000,000 port development program designed to recapture for Savannah and Brunswick the national importance those ports once held.

• **To Issue Bonds**—Legislation creating a State Port Authority to construct port facilities at both cities was approved last week by Gov. Ellis Arnall. The agency will finance the port development with \$15,000,000 revenue bonds (retired from harbor fees).

Presumably taking their cue from Gulf ports which have joined forces to get more postwar commerce for the region (BW—Jan. 6 '45, p42), Savannah and Brunswick, traditional rivals in the past for selection as the site for the proposed state-owned docks, now are allied for broad development of Georgia's harbor facilities. At present two state-owned docks with all essential facilities are being considered; the plan may be extended later to include other docks on river routes.

• **Alabama Pattern**—Railroads which own their docks at Savannah and Brunswick are said to be cooperating on the theory that the more sea traffic brought to the two ports the more railroad traffic they will get.

Legislation creating the Georgia port authority was patterned, in general, after Alabama statutes which created the public agency that developed state docks and terminals at Mobile.

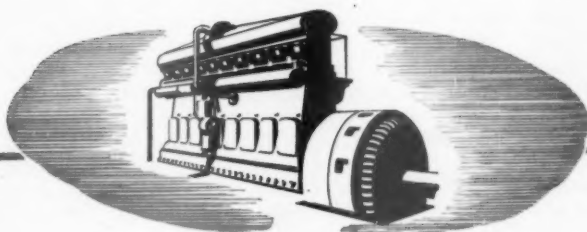
A special 25-member legislative committee which inspected the Mobile docks was told that the Alabama port has paid its own way since the state docks were opened in 1928, in addition to setting up a fund for emergencies—and all this despite the fact that the docks began operations only a short time before foreign commerce nose-dived in advance of the depression.

• **Dollar Volume Drops**—While the Georgia delegation was being told of



*Announcing*

## The Greatest Diesel Development in Years



**E**VER since 1928, Cooper-Bessemer has been experimenting to perfect a means of using natural gas as a practical fuel for diesel engines; and to permit instantaneous change-over from fuel oil to gas and vice versa. It can now be announced that these efforts have been completely successful—a truly revolutionary accomplishment.

Almost any combustible gas can be used with equal ease and effectiveness . . . natural gas, sewage digestion gas, refinery gas, manufactured and coke oven gases, etc.

Neither the characteristic diesel principles nor the inherent diesel advantages have been modified in any way whatever. Thus the thermal efficiency of the oil-burning diesel, highest by far of any type engine, is just as readily reached when burning gas—a full 30 per cent increase in thermal efficiency over

the best gas engines of the electrical ignition type. Literally billions of cubic feet of gas can be saved annually.

Of extreme significance in many services, instantaneous convertibility from one fuel to the other at full engine load is in itself an outstanding accomplishment.

Engineers and operating officials in many fields will instantly recognize the tremendous economies and advantages made possible by this new Cooper-Bessemer development. It is the latest of many Cooper-Bessemer contributions to America's progress in power, on land, at sea, and on the rails.



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**FOR 112 YEARS**

the prosperity of the Mobile port, its members were very much aware that the foreign commerce handled by Savannah and Brunswick has been falling off for years. In 1920, Savannah's waterborne traffic was valued at \$548,692,823, or 49.94% of all such traffic handled by all the ports (including river traffic) in the southeastern region of the United States (North Carolina, South Carolina, Georgia, Florida, Alabama, and Tennessee).

By 1935 this volume had dropped to \$189,636,690 or 25.27% of the region's total. Tonnagewise, however, Savannah dropped only 0.47% between 1920 and 1935.

Brunswick lost in both categories in the same period. In 1920 Brunswick's total tonnage was 766,281, or 5.65% of the region's total. In 1935 the total tonnage had dropped to 542,193 or 2.90% of the region. Measured in dollar value of cargoes, Brunswick's traffic dropped 3.14% in the period.

• **A River Authority?**—With the port development program well launched, Georgians began to take lively interest in another regional development proposal. Senator R. B. Russell introduced in the U. S. Senate a bill to create a Savannah River Authority to provide a \$150,000,000 unified water control and resource development for the basin of the Savannah River.

## Lilies Repatriated

Georgia experimenters develop new technique to hasten formation of bulbs. May give U. S. growers postwar edge.

Prior to this war, Japan had almost cornered the Easter lily market in the United States. But never again, say southern growers.

• **Cost Problem Solved**—For decades the U. S. imported the bulk of its lily bulbs from Japan, most of them from the island of Formosa. The last importation was in 1940, when 50,000,000 bulbs were brought in at wholesale prices ranging from 6¢ to 8¢ each. Now experimental cultivation by amateur growers in Georgia and Louisiana indicates that bulbs can be produced at a fraction of the cost of the Japanese imports. The lilies currently bring from \$9 to \$12 a doz. on the retail market.

In addition to Georgia and Louisiana, other centers in the U. S. having a direct interest in an estimated annual market for at least 50,000,000 bulbs are in the Pacific Northwest (chiefly in Oregon and Washington), in California, and in Florida, where Rex Beach, the author, cultivates 50 acres from which

he harvests 20,000 bulbs annually (BW—Mar. 11 '44, p. 39).

• **Three Leading Varieties**—The bulbs which Georgia growers have readied for the current market are of the variety erroneously called Bermuda Easter lilies.

Louisiana raises Creole lilies, principally in Plaquemines Parish, near the mouth of the Mississippi River.

One Louisiana grower last year raised a crop worth \$1,500 on one acre of land. Parish officials have a standing offer of a bushel of bulbs free to anyone in the parish who will undertake to grow them with the stipulation that the grower pay back two bushels from his crop in two years.

Growers in the Pacific Northwest have had highly satisfactory experience with a pot plant known as the Croft lily. However, this brings from 50¢ to 90¢ a bulb, which puts it in the expensive class.

• **New Technique Developed**—Largely through the efforts of Prof. Roy A. Bowden, instructor in horticulture at the University of Georgia's College of Agriculture, and a few amateur growers, Georgia's cultivation of lilies has grown to commercial proportions.

The College of Agriculture has discovered that removing the outer layer of scales from bulbs in October or November—just prior to bulb planting time—and placing the scales in sand in cold frames or in greenhouses would cause more rapid development. To date, Bowden has not found in his plantings any indication of a plant disease with which Japanese bulbs were infested.

Moreover, the foliage and stalks of the Georgia bulbs are superior in size and color to those grown in Japan; the blooms are larger and more numerous. Experiments have also indicated that the Georgia bulbs are as adaptable to forcing without cold storage as those from Japan which had been kept in cold storage. Japanese-grown bulbs are said to show a direct relationship between the size of the container used in growing them and the size and number of flowers produced per plant. The Georgia-grown bulbs also show a relationship in the number of blooms per plant to the size of the container, but the size of the blooms does not vary, and the bulbs are said to be hardier.

• **Further Progress Expected**—Some florists contend that neither the Georgia nor the Louisiana lilies are on a par with those which have been imported in recent years from Mexico. Growers in the South believe, however, that further experiments will enable their bulbs to compete with those grown anywhere. The limiting factor now appears to be availability of capital to enable cultivation on a large scale.

## Phillips Takes Pay Cut—to \$1 a Year

As if to demonstrate that what economists call the law of diminishing utility can apply to five-figure salaries, Frank Phillips, chairman of the board of Phillips Petroleum Co., last week saw fit to cut his pay from \$50,000 to \$1 a year.

Explanation of Phillips to his company was that, in view of his other income, federal and state taxes would only leave him \$309.36 of the \$50,000 anyway—so why bother?

• **"Experts" Puzzled**—Many amateur tax experts, still suffering from writer's cramp after making out their own returns, were nonetheless having fun trying to figure out how Phillips arrived at his \$309.56. In view of the fact that the federal tax on the very highest income bracket only amounts to 94% and the state tax in Oklahoma, where Phillips lives, is only 3%, the self-appointed experts were puzzled, for it seemed as though he'd have at least a couple of thousand of his salary left after taxes. Phillips did not enlighten.

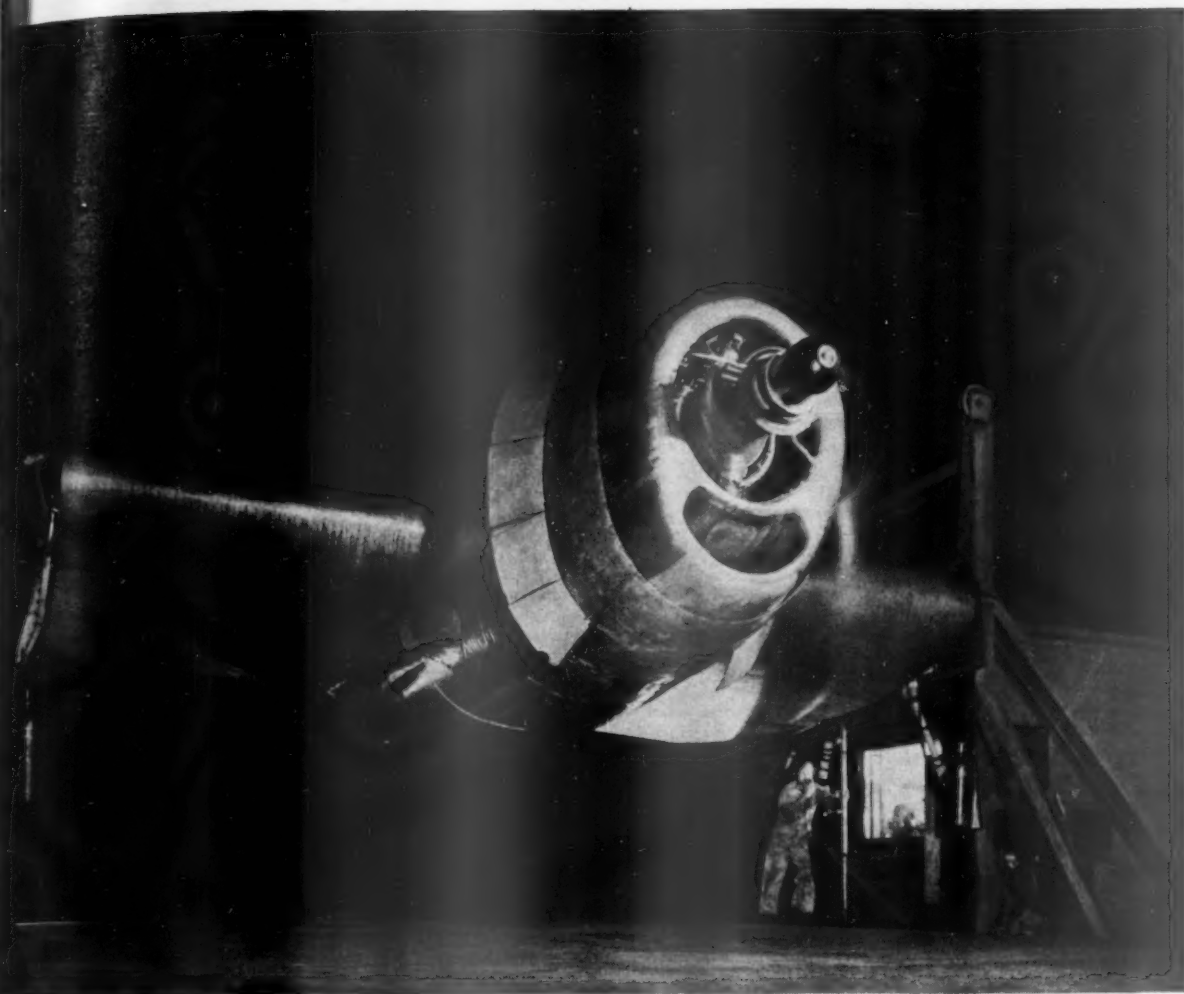
Phillips, whose personal wealth is

estimated to be in the neighborhood of \$5,000,000, started business on his own with a hair tonic that he prepared and marketed while working as a barber, following the training he received in an Omaha (Neb.) barber college. Later he acquired a string of barber shops.

When he went to Oklahoma in 1903, production of oil was just coming to the fore, particularly in the vicinity of Bartlesville, where he settled. He helped to organize a small bank in that town which was among the first to recognize its affinity to the oil industry.

• **On the Ground Floor**—When possibilities of the oil business lured him, Frank Phillips took his brother, L. E. Phillips, into his Bartlesville bank and devoted his talents exclusively to oil. Outgrowth of these efforts was the Phillips Petroleum Co. established with headquarters in Bartlesville in 1917. Last year, Phillips Petroleum reported sales of \$203,751,249 and net income of \$20,952,088.

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Finish the Fight — with War Bonds

## "Ground Flight" of a Boeing Superfortress

You're looking at one of the world's strangest laboratories . . . hidden in a closely guarded corner of Boeing's huge Seattle plant. It's a one-room house alongside a large steel frame in which an engine and a section of wing are firmly anchored. House, frame and engine can all be revolved on a circular track.

Designed by Boeing engineers, it is capable of testing the characteristics of the most advanced power-plant installations planned for great warplanes and transports of the future! The picture above was taken when the Boeing B-29 Superfortress—which is now being flown so valiantly by Army Air Force crews in Japanese skies—was still in the development stage.

Hour after hour, week after week, the 2200-hp. engine roared and tugged at its captive wing section. Inside the little laboratory the test crew watched a battery of instruments. They were testing the functioning of the power-plant with its many services and accessories at various engine speeds and powers—finding out how a new nacelle design affected their operation.

The B-29 nacelles offered Boeing engineers a particularly tough problem. Each one had to be big enough to accommodate a huge, complicated radial engine, dual turbo-superchargers, three separate cooling systems, intake and exhaust systems, electrical and ignition systems and fuel lines—besides the

retractable landing gear housed in the inboard nacelles. Yet, aerodynamically, each had to be slim and compact, to reduce drag to a minimum, for the B-29 was to be a bomber with the speed of a pursuit ship.

The long bombing missions flown by the Superfortresses, through every variation of climate and temperature, are striking testimony to the success of Boeing engineers in solving this and other problems.

Sound research, design, engineering and manufacture have always gone into every Boeing product . . . one reason why you can depend on peacetime aircraft of the future, "Built by Boeing" to lead the way.

DESIGNERS OF THE B-29 SUPERFORTRESS • THE FLYING FORTRESS • THE NEW STRATOCLIMBER  
THE KAYDET TRAINER • THE STRATOLINER • PAN AMERICAN CLIPPERS

**BOEING**



## Prefab Protest

**FPHA plan to lend-lease 30,000 prefabricated homes to Britain meets strong opposition from American builders.**

Bombed-out British householders last week appeared to be about the only persons who could get much satisfaction out of the Federal Public Housing Authority's recently announced plan to lend-lease 30,000 prefabricated homes, complete with bathrooms, to Great Britain. Protests went up both from the American home building industry, which feels its operations will be retarded by the deal, and even from many of the prefabricators who were expected to get the big order.

• **Prefabricators Demur**—More than 100 bids were submitted for portions of the work before the Mar. 5 deadline. But almost all of these were offered by general building contractors with little or no prefabrication experience. The names of many of the established American prefabricators were significantly absent from the list of bidders. Their main complaint is that the homes' design is a hybrid of cheap prefabrication, born of the war.

The original design was developed for cheap, demountable shelters for use at Tennessee Valley Authority operations (BW—May 6'44, p. 40). However, the prefabricators claim that FPHA has revamped these plans beyond all recognition; that the new design does not fit mass-production methods; that the

houses cannot be produced profitably at the low price demanded by FPHA, which ranges from \$1,300 to \$1,400 per unit, depending on the size of the contract.

• **Builders Object, Too**—The National Home Builders Assn., with 7,000 members who have done most of the wartime U. S. home building, led the building industry's protests on the ground that lend-lease homes for Britain will take large supplies of critically short materials needed for resumption of American home building. The U. S. need is estimated at 1,000,000 homes in the first year after V-E Day, and builders had been hoping to corral enough materials to erect 350,000 of these.

Specifically, builders object to lend-leasing 165,000,000 ft. of lumber, which is the builders' most serious shortage, and also to exporting bath tubs, lavatories, toilet bowls, and precast galvanized pipe fittings, which they feel are urgently needed at home.

Bath tubs have been almost unobtainable here, showers having become the rule in wartime American building, but plans for the lend-lease homes include tubs.

• **Eye to the Future**—Specifications call for paperboard, with or without cement-asbestos board panels, wooden frames and flooring, and composition roll roofing. American manufacturers—with an eye on the effects on potential postwar export markets—claim that these are too flimsy to stand a rough voyage, and that the flooring is too light to wear well without reinforcing beyond what is provided. Contracts are to be completed by Aug. 1, with shipping presumably to follow soon after.



Set up in Washington is a pilot model of the 30,000 prefabricated houses that are to be sent to Britain over the bitter protests of some U. S. building interests.

## Crisis in Rosin

**Naval stores industry, by manpower shortage, reports dangerous slump in production of vital industrial materials.**

Faced with a critical shortage in inventories and future production, the industry threatens not only war materials but essential civilian items as well, the Southern important naval stores industry (rosin, turpentine, pine oil, tar, pitch, etc.) found slight consolation last week in the proffered aid of the federal government to help overcome its major problem—manpower.

Labor shortages account almost entirely for the production slump which has reached such serious proportions that it (1) brought government and military service representatives to Atlanta early this month to confer with producers on what could be done, and (2) caused the War Production Board to establish quotas for rosin in the production of all but "preferred orders."

• **All Items Fall Off**—It was disclosed that in January the naval stores trade produced only 66% of its 545,000-gal monthly quota of pine tar, which has important uses in the production of natural and synthetic rubber, in ship construction and cordage, and in other important war production at which the military representatives only hinted. The rubber industry alone, the Atlanta conferees were told, could use more than the total current production of pine tar.


Other statistical evidence of the serious situation was given in figures published by the Savannah Weekly Naval Stores Review. These indicate that between Apr. 1, 1944, and the end of that year, total gum turpentine stocks dropped from around 234,000 bbl. to 182,000, and that steam-distilled wood turpentine stocks declined from around 15,000 bbl. to fewer than 12,000.

Shrinkage of gum rosin stocks has been even more rapid. Between Apr. 1, 1944, and the end of that year total gum rosin stocks dropped from about 345,000 drums to around 144,000.

• **Manpower Aid Pledged**—Government representatives at the Atlanta conference made some promises which industry spokesmen said "undoubtedly would help some."

Selective Service, although emphasizing that relatively few of the industry's workers are being drafted now, pledged a still smaller drain henceforth.

The War Manpower Commission promised to divert all labor possible to the industry; use of additional prisoners



# Continuous balance

Has Boosted Through-Put  
Beyond Our Fondest Expectations

AN EXECUTIVE of a large oil refinery talking long distance to another, "Answering your question, Jim, we give a good share of the credit for our improved product quality and increased, sustained through-put to the Brown ElectroniK Potentiometer. 'Continuous Balance' did it."

The most important factor in any manufacturing operation involving temperature is uniformity of product. The goal of every manufacturer is to maintain this uniformity continuously and automatically, and still maintain volume. Split second control of temperature factors has been achieved in the development of the Brown ElectroniK Potentiometer. It differs basically from all conventional potentiometers because of its "Continuous Balance" unit, providing electronic control which keeps the "ifs" out of finished product, maintaining a uniformity hitherto impossible.

If the manufacture of your product involves temperature measurement or control, we invite your inquiry. A Brown engineer will give you a prompt opinion as to what Brown "Continuous Balance" can accomplish in your plant. The Brown Instrument Co., 4525 Wayne Ave., Philadelphia 44, Pa.

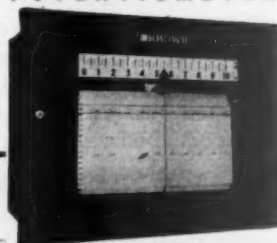
**FOR YOU...** If you are not receiving "INSTRUMENTATION," the Brown quarterly magazine presenting case histories of control problems now being solved for industry, have your secretary send for it. No obligation.

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The leaders in practically all industrial fields use Timken Bearings in the products they make—the machines they operate. Timken Bearings mean dependable performance. Low cost operation and maintenance are common denominators to all industry. Timken Bearings solve these problems. That is the reason why engineers, not only in America, but world-wide, recognize the advantages inherent in Timken Bearings. To insure the utmost in anti-friction bearing performance—have the application engineered by Timken and use the Timken Bearing that our experience recommends.

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**TAPERED ROLLER BEARINGS**

**ALL THERE IS  
IN BEARINGS**

© 1945 by The Timken Roller Bearing Co.

of war in the producing areas was discussed, but producers generally claim that this type of labor isn't very factory.

• **Price Boost Asked**—Despite promises of the governmental agencies, producers are not consoled.

Some years ago the industry was given an agricultural classification. Hence, it does not come under the wage and hour law. The work is hard, the pay comparatively low, and higher-paying war industries throughout the producing area, especially shipyards—have drawn off the labor supply with magnetic precision.

The industry blames Office of Production Administration ceilings for its inability to meet competition for labor. The gum naval stores trade contends that maximum ceiling prices should be raised in view of increased production costs and to meet higher price labor requirements if production is to be maintained even at 1944 levels.

• **Allies Rely on U. S.**—The production situation is a real headache not only to U. S. military procurement agencies but also to all Allied supply officials, as the South is the most important source of natural and synthetic rosins.

Bulk of the naval stores industry in the South is concentrated in Georgia, which has been producing nearly 65% of the nation's supply of gum turpentine. About 80% of the entire industry is situated in Georgia, Florida, and Mississippi, with some production in Alabama, Louisiana, and South Carolina.

Only two species of trees produce gum turpentine and rosin—slash and longleaf pine—and these are found only in the southern states. Gum naval stores are obtained by chipping the tree, thus permitting the crude gum to flow from the wound into a cup placed beneath it.

• **Vital Industrial Material**—Rosin is widely used by industry. Large quantities are used as ingredients in protective coatings in the form of ester gums; in the manufacture of soaps in place of imported oils; in paper sizing and to supplement scarce tallows and fats.

Rosins also have numerous other uses, including those in chemicals and pharmaceuticals, in the manufacture of paints, varnish, and lacquers, in adhesives and plastics, printing inks, linoleum, oils and greases, insecticides and disinfectants, and shoe materials.

• **Quotas Established**—These uses for rosins illustrate the importance of WPB's order (M-387) establishing quotas for rosin for use in all but "preferred orders," defined as those for the armed services, and other governmental agencies.

Limitations on the use of rosin for all but preferred orders are fixed at the following percentages of the amount of rosin used in the corresponding calendar





You're going to be *babied* after these wars are over. You're going to walk into stores and work in offices and eat in restaurants where the air makes you feel like a million dollars. You'll feel like those P-38 "Lightnings" must feel that are built in factories where the air is "made up" as carefully as a doctor's prescription.

You're going to benefit from what companies like Worthington—an old hand at air conditioning—have done during the war. . in aircraft factories, in synthetic rubber plants, in research laboratories. Air Conditioning by Worthington will someday be everywhere, more efficient and more economical.

If the place that you're in is air-conditioned by Worthington, you'll benefit especially from the fact that Worthington makes so many of the "vitals" of air conditioning and refrigeration systems—engines, turbines, condensers, compressors, pumps, valves, fittings. This means more reliable performance of machinery—whether unit conditioners or completely-engineered systems . . . machinery that is interdependent and should be integrated for the best results.

*Worthington Pump and Machinery Corporation, Air Conditioning and Refrigeration Division, Harrison, N. J. Specialists in air conditioning and refrigeration machinery for more than 50 years.*

YOU'LL FEEL AS FIT  
AS A P-38



**WORTHINGTON**



*Air Conditioning*

dar quarter of 1944 to fill civilian orders only, or 2,700 lb. (five drums), whichever is greater:

Soap, 25%; shoe polish and shoe materials, 30%; protective coatings, including paints, varnishes, lacquers, etc., 30%; linoleum and printed floor coverings, 30%; coatings for the manufacture of coated fabrics, 30%; adhesives, 30%; paper and paperboard, 70%; printing ink, 85%. Quotas for rosins used in foundry supplies, insecticides and disinfectants, oils and greases, pharmaceuticals, and natural and synthetic rubber are equal to the quantities used in the base period of 1944.

Looking ahead, the naval stores trade forecasts improved postwar outlook for turpentine and is engaged in research to discover new uses for it, at the same time studying new methods of merchandising. However, substitutes developed to offset the shortage of natural rosins may cut into the market for turpentine.

## Feeder Airlines

**Prospective operators cry monopoly as big lines, railroads, and buses press claims for rights to set up small-city service.**

Feeder airlines, an operation practically nonexistent before this war, are bidding for a firm place in the postwar air transport system.

This type of operation will be designed to serve trading areas surrounding cities which now have trunk-line air service. Such lines are being aggressively promoted by local flight operators and are claiming the attention of Washington officials, major airlines, railroads, and bus companies. Many controversial angles are involved, and the outcome may have important effects on local busi-

nesses throughout the United States.

- **New Plane Planned**—A good indication of the big future that many see for the new service was given recently when Hughes Aircraft announced development of a new plane designed especially for this service. The high-wing, two-engine monoplane, with a gross weight of 18,500 lb., is designed to carry 18 passengers and 350 lb. of cargo.

Many other aircraft manufacturers either have planes already in production well adapted to feeder operations or have plans well under way.

- **Big Airlines Interested**—The major airlines, which themselves started as feeder airlines for the major east-west route then operated by the government, would like to expand their own operations to encompass this field (BW—Jun. 3'44, p42) and have expressed fear that certification of small feeder lines will lead eventually to unwelcome terminal-to-terminal competition.

In recent Civil Aeronautics Board hearings in New England, for example, Paul F. Collins, president of Northeast Airlines, argued that experimental operations of helicopters for feeder routes should be conducted by established air carriers which can spread costs of the experimental service over their entire systems. Collins' opinion is quite generally shared by major airline operators, and hearings on feeder line applications have all been marked by opposition of the big lines to the establishment of new services, as well as by suggestions that old-line companies could extend services to care for the air needs of smaller communities.

- **Ground Carriers Speak Up**—Bus and railroad companies argue that it would be better for small communities to have air service integrated with ground service for economy and efficiency.

They argue that single ticket offices and terminals would minimize costs, that schedules could be integrated to the advantage of the traveler, and that the bus lines have the financial resources to withstand the period of building up air travel potentials.

- **First Opportunity**—Supporters of the local flight services are irritated by the attitude of the major airlines, and the bus and railroad companies. In private conversation they have threatened retaliation. If they are thwarted by the big airlines, they aim to use their local influence to raise costs for ticket offices, hangar space, and landing rights.

Many of the small operators seeking to establish feeder operations are men who now own fixed-base facilities and operate training, maintenance, hangar, and charter services in local communities.

Many of these operators settled down



## CRIB CAMPAIGN

Midwest farmers are making a final mighty effort to get 1944's bumper corn crop off the ground and into cribs before the spring thaws cause it to begin to sprout (BW—Feb. 3'45, p34). In Nebraska, for example, agricultural authorities have campaigned to save mountains of wet corn (above) which has lain out all winter for lack of any space in which to store it. With makeshift cribs (left), built of odds and ends, farmers hope to save remnants of the 100,000,000 bu. which were completely unprotected from the weather only a month ago. Their big goal: to keep moisture content under the 20.5% maximum that is permitted by federal loan regulations.





## PROTECTIVE OVERCOATS for Spark Plugs ...tailored by Mr. Cellophane

VITAL PARTS for fighting machinery must arrive at the battlefronts absolutely free from corrosion. That's why spark plugs, valves and other ordnance parts are sealed in a special laminated sheet of Sylvania cellophane and fabric after being oil coated. This special wrap is *oil-proof* . . . keeps the

protective oil coating locked in...insuring protection from water and moisture-vapor.

Sylvania cellophane appears on all fighting fronts in many important roles. But the developments Sylvania is making today will mean more uses for cellophane—and better cellophane—in postwar tomorrow.



# SYLVANIA CELLOPHANE

Made only by **SYLVANIA INDUSTRIAL Corporation**  
Manufacturers of cellophane and other cellulose products since 1929

General Sales Office: 122 E. 42nd St., New York 17, N. Y. ★ Plant and Principal Office: Fredericksburg, Va.







*Put your finger  
on the map of*  
**CALIFORNIA!**

**IN PLANNING AHEAD**, business, industrial, and banking executives are weighing the vast opportunities in California. If you put your finger on the map of this State you touch the richest, most concentrated market in the West.

Your finger placed at almost any point on this map—at more than 300 points, in fact—will cover, too, a city or town where your interests can be served by the local facilities of Bank of America.

This California-wide branch bank, long experienced in serving others, welcomes the opportunity of being helpful to you. Your inquiry is invited.

◀ **RESOURCES OVER 4½ BILLION DOLLARS** ▶

*California's statewide bank*

**Bank of America**  
NATIONAL TRUST AND SAVINGS ASSOCIATION

Member Federal Deposit Insurance Corporation • Member Federal Reserve System

Main Offices in the two reserve cities of California... San Francisco - Los Angeles



## JOY RIDING BANNED

Arm-band license tags and registration of every scooter used at Lockheed Aircraft are part of the firm's private traffic code for reducing accidents and unauthorized driving. Under rules enforced by plant guards, speeding, unsafe loading, recklessness, or unlicensed driving can be penalized by withdrawing the vehicle from its department, by revocation of driver's tag.

in these towns when barnstorming failed to yield enough money for them to continue traveling, and in the feeder airlines they see the first opportunity they have ever had to emerge from the restricted opportunities of fixed-base operations.

• **Monopoly Issue Raised**—These men represent aviation in the cities and towns. They prodded city fathers for large appropriations for airfields, built them into airports, then supported the establishment of trunk-line air services in their communities and elsewhere in their states.

Now they feel that the bus and railroad companies are attempting to establish transportation monopolies under the guise of "integration"—a point on which both established airlines and local flight operators are in agreement.

• **Subsidies a Vital Factor**—Overhanging the whole question is the question of mail pay subsidies. It is generally admitted that the future of feeder lines would be precarious without mail subsidies, and the Post Office Dept., which has not been particularly air-expansion-conscious, has taken the attitude that few of the many proposals for local and feeder air service will meet "the searching test of practicability and economy in competition with surface transportation."

Some assistance, however, can be expected from the Army and Navy in gov-

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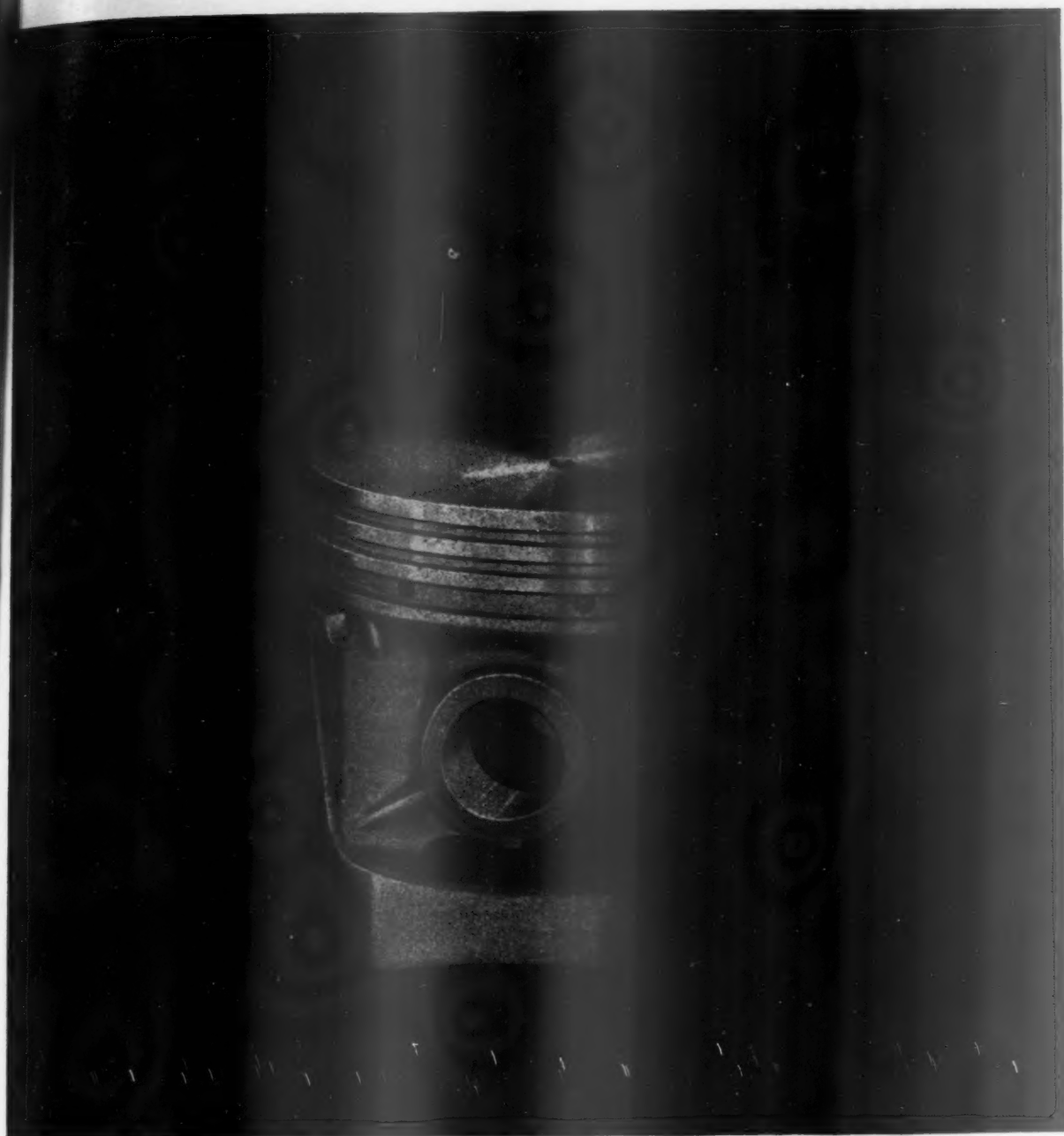
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## **PORTRAIT OF PERFECTION**

If it calls for precision handling, let McQUAY-NORRIS make it! Our knowledge of metals, our 35 years of experience in all phases of automotive



precision-part making are the most versatile in the industry—and we love tough ones! Inquiries are welcome from any industry with peacetime plans.

**FOR INGENUITY IN PRECISION ENGINEERING... IT'S**



**PRECISION WORKERS IN IRON, STEEL, ALUMINUM, BRONZE, MAGNESIUM**

## V-P SAWYER RECOMMENDS READING OF THIS NEKOOSA TIP...



### SEE WHY IT REALLY PAYS TO PLAN WITH YOUR PRINTER!

Never before was it so important to consult with your printer *before* planning new business stationery, forms, direct-mail advertising material. Planning with your printer saves priceless time. It saves work, worry, paper and money! And to be sure of prideful printed results, *everytime*, be sure to specify NEKOOSA BOND, the paper that's Pre-Tested for performance!

#### BUY MORE AND MORE WAR BONDS

WAR makes tremendous demands on paper—so NEKOOSA BOND may not always be obtainable these days. But it's still prudent to specify NEKOOSA BOND, the Pre-Tested Paper—and to remember

IT PAYS TO PLAN WITH  
YOUR PRINTER

*Nekoosa Bond*

One of the Pre-Tested Business Papers manufactured by the Nekoosa-Edwards Paper Company, Port Edwards, Wisconsin. Companion papers are JOHN EDWARDS BOND, NEKOOSA MIMEO BOND, NEKOOSA DUPLICATOR BOND and NEKOOSA LEDGER.

## FRESH FOODS BY AIR

Cleveland airport attendants unload one of the half-dozen plane-loads of produce flown from the West Coast last week and this. In the experimental ten-ton shipment, handled by American and United Airlines cargo planes, were tomatoes, lettuce, carrots, asparagus, and peas (shelled to save weight). All were sold by Ohio's Fisher Bros. food chain which charged no premium, although air shipping costs figured to \$27 a hundredweight—about 450% higher than rail rates. Part of this freight rate differential will be pared down in subsequent shipments by shifting to paper boxes weighing half as much as the wooden crates which ate up about 25% of the payload. Last week's consignment, furthering airlines' plans for developing postwar



traffic in garden-fresh produce (BW—Sep. 2 '44, p. 45), hit Cleveland markets less than 48 hours after it had been gathered in California; shipment by rail requires from 10 to 14 days.

ernment efforts to promote the feeders. Both services are interested in feeder lines because of the increased national defense potentials which they believe are inherent in an expanded air service network.

At the present time nonscheduled operators, including the projected feeder lines, are under neither route nor economic control by CAB. Such operators are subject only to safety regulations. CAB, feeling that chaos will result unless some form of restraint is exercised, wants its authority broadened.

• **Two Examples**—It is possible that both large airlines and small operators will be given an opportunity to experiment with the operation of feeder lines.

As of today, there are only a few lines that may be strictly classed as feeder operations, and by and large there has been no exhaustive attempt to determine their economic feasibility. One operation has been authorized and classed as a feeder line, to be known as Essair and to fly in Texas between Houston and Amarillo via Austin, San Angelo, Abilene, and Lubbock, under a requirement that stops be made at each city on every schedule. Essair has not yet started operations.

An example of feeder operation by larger lines is found in the Pennsylvania-Central Airlines route between Detroit and Sault Ste. Marie in northern Michigan, serving numerous small intermediate cities. It has not been particularly profitable, although prewar indications were that traffic would build

up sufficiently to bring it into the black. It has not been operated during the war.

• **South May Get Permits**—The first feeder certificates probably will be granted where existing surface transportation is poor, possibly in the form of east-west operations in sections of the South where rail connections are either bad or nonexistent. It is in this section, where fixed-base operators have been concentrated and built up in war training programs, that there are experienced and financed operators.

To meet the economy argument of bus and railroad lines, and the spreading-of-expense argument of the larger lines, these operators countered with novel plans. Under one of them, local airport operators would handle ground operations through individual contracts with the feeder airlines. Under another, airport operators along the route would join the feeder line organization on a quasipartnership basis.

• **Pogue's Opinion**—The first certificates granted by CAB will be temporary, and will be measured against what Chairman L. Welch Pogue terms "something in the nature of a glorified taxi service," which he views as a better solution to the problem of affording air service to smaller towns.

Opposed to Pogue's view, and that of the Post Office Dept., are the experienced fixed-base operators who maintain that local services can be built up to a profitable business. They expect mail pay subsidies, and like to quote the statement made by Capt. Eddie Ricken-



WHAT ABOUT  
OUR WIRING PLANS?

HOW ABOUT THE  
SCRAMBLE FOR  
POSTWAR MARKETS?

DO OUR POWER PLANS  
RISK TEAR-DOWNS  
AND DOWNTIME?

ARE THEY ADEQUATE  
TO MEET PEACETIME  
EXPANSION?

WILL OUR  
ELECTRICAL CAPACITY  
BE 'TOO LITTLE  
AND TOO LATE'?



**BE SAFE - BE CERTAIN**

# *Wire Ahead!*

If the facts below make sense, check up on your wiring plans now!

## **FUTURE MARKETS**

Foresighted market surveys won't mean much if plant wiring and service equipment capacity don't back up potential volume.

## **NEW DEVICES**

Do your plans anticipate the huge increase in the use of electricity—the power demands of new, complex electrical machines?

## **COSTLY TEAR-DOWNS**

Figure the expense of possible downtime and labor costs for emergency wiring and equipment.

## **OBSOLESCENCE**

What about your banker? He'll want to be sure that electrical efficiency is adequate to keep your plant a prime commercial risk.

## **POSTWAR EMPLOYMENT**

You'll want to help assure places for the horde of returning men. Don't let inadequate wiring cramp your personnel.

Obviously unwired planning will cost a lot more than planned wiring. Wire Ahead! Have a talk with your electrical contractor, power engineer or utility power engineer.



**ANACONDA WIRE & CABLE COMPANY**

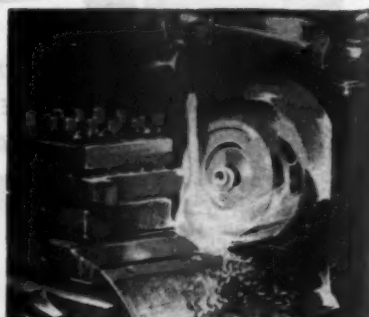
25 Broadway, New York 4... Sales Offices in Principal Cities

*Well-Planned Power is Future Selling Power—Wire Ahead!*

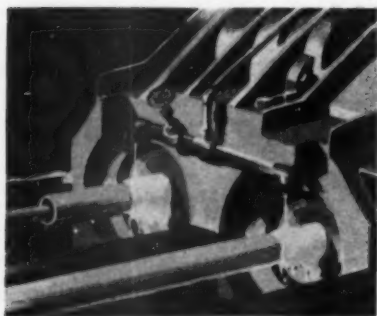
# What does "the hardest metal made by man" mean to you?



**1 IT STARTS AS A MIXTURE** of simple metallic powders. Under heat and pressure, it becomes the hardest metal made by man . . . Carboloy Cemented Carbide. Its uses are endless. In tools, dies and wear-proofed parts, it is performing wartime miracles of high production at low cost.



**2 AS A TOOL!** Official records show "production of crankcases and gears for aircraft engines was tripled, with the same equipment and manpower, by the use of carbide tools." And no wonder! For they work at speeds and to close tolerances formerly impossible in mass production.



**3 AS A DIE!** "In making tubing for tanks," says the chief engineer of a great tubing plant, "Carboloy drawing dies have produced an almost unbelievable number of times the footage of any other type." In sheet metal forming also, this miracle metal is pointing the way to unprecedented savings in production costs.



**4 AS A WEAR RESISTANT METAL!** The use of Carboloy plates to insure uniform hardening made possible the successful manufacture of the extra thin razor blades so many men prefer. Carboloy inserts step up the life of inspection gages, valves and machine parts such as cams and bushings as much as 100 times.

## An industrial weapon for war and peace

**BIGGER** output through high-speed operation! Better products through high precision! Lower cost through man and machine hours saved!

That's the story of Carboloy Cemented Carbide—whether for

speeding up present war production, or for a competitive edge in the postwar "battle of costs."

*And remember—the history of Carboloy has been one of steady price reduction. We believe this price story will interest you.*

CARBOLOY COMPANY, INC., DETROIT 32, MICHIGAN

# CARBOLOY

TRADE MARK

## CEMENTED CARBIDE

The Hardest Metal  
Made by Man



backer, now president of Eastern Air Lines, back in 1924 that mail subsidies would be an "anesthetic to initiative."

Airmail now is paying a profit to the Post Office Dept., and the would-be feeder operators maintain that the same path would be followed by them. Unquestionably they will need high mail pay to break even, but, they say, so did the now big airlines when they started in the midtwenties.

## STRATOLINERS AGAIN

Jumping the gun on postwar expansion plans, Transcontinental & Western Air, Inc., announced this week that on Apr. 1 it will resume daily Stratoliner service between New York and California.

TWA originally inaugurated this service in July, 1940, with a fleet of five Boeing four-engine Stratoliners. These planes, taken over by the Air Transport Command for war service, were recently returned to the airline. They have since been completely reconditioned at Boeing's Seattle plant. Cost of reconditioning is said to be almost as much as the original cost.

The new service will operate one round trip daily between New York, Pittsburgh, St. Louis, Kansas City, Albuquerque, Los Angeles, and San Francisco. The elapsed time, eastbound from Los Angeles, will be 14 hr., 35 min., more than two hours faster than current coast-to-coast schedules of TWA or any other airline.

On May 1, TWA will start a companion service from Washington.

## INVENTORY, KING SIZE

Imagine a warehouse that covers 64 sq. mi. of area, filled with 2,000,000 different kinds of items worth \$6,500,000,000. This will give you some idea of the gigantic task recently completed by the Navy in taking inventory of supply materials.

From the inventory, the Navy says it learned the whereabouts of misplaced material, better identification of non-standard items, ways of improving stock records, better use of storage space, how to save man-hours in filling requisitions, as well as ways to improve the determination of excess and obsolete materials.

The Navy buys around 4,000,000 different kinds of goods, whereas its central control inventory covers only 80,000. From lessons learned during the inventory, more efficient procurement is expected. One phase of the inflow control program was a review of outstanding supply contracts. To date, recommended reductions of material amount to \$441,000,000.

# PRODUCTION

## End of a Lawsuit

Supreme Court deals final blow to Barnes' patent claims, which would have meant levy on most machine-tool makers.

Almost nine years ago the W. F. & John Barnes Co., big Rockford (Ill.) machine-tool builder, filed suit against the even bigger Ex-Cell-O Corp., Detroit, charging infringement of its patents on hydraulic, electrical, and mechanical controls for machine actuation.

The Supreme Court has now finally ended that case, probably the most significant ever to involve the machine-tool industry, by reaffirming the denial of the Barnes claims.

**What It Meant**—Had the Rockford company been established as the exclusive owner of the mechanical principles involved, most machine-tool makers in the country would have had to pay back royalties and then continue to pay or else drastically modify their designs.

Users of the equipment, too, might have been liable. In fact, International

Harvester Co. was a defendant in the case along with Ex-Cell-O, on the grounds that it employed the disputed apparatus in its plants. In this respect, the case recalled the auto industry's famous Selden patent litigation of the early 1900's.

• **Ford's Famous Victory**—George B. Selden had applied for a patent on a "cheap road locomotive" in 1879. The patent was granted in 1895, and an association of licensees under the Selden patents subsequently became dominant in the early automobile industry. Henry Ford refused to recognize the Selden claims and was sued by the association.

When the Selden licensees warned that buyers of Ford cars were liable, Ford offered each purchaser a protective bond secured by the assets of the company. Ford won and established the right to manufacture a vehicle having such components as a carriage, steering wheel, clutch, gear, and engine without paying royalties to anybody.

• **The Barnes Claims**—If established, the Barnes claims would have affected virtually all machine tools. Six of the alleged patent infringements had to do with hydraulic controls. One, for instance, involved unitary construction of hydraulic valves which stop, start, reverse, or control speed of tools. Another concerned use of a spring loaded valve to divert part of the hydraulic fluid when the machine is set to operate at reduced speed.

Also involved were patents on electrical and mechanical controls for machine tools, most of them broad enough to affect nonhydraulic equipment. Spindle positioning by electrical actuation, for instance, was claimed as a Barnes patent.

• **2,500,000 Words**—The Barnes case proceeded through practically six months of court hearings at Chicago, during which some 2,500,000 words and thousands of exhibits, many of them wooden models, were introduced. The 200-page decision of Judge John P. Barnes ruled (BW—Jul. 3 '43, p27) that the plaintiff's case was invalid as to the claims entered. The decision appeared based on what the court regarded as the breadth of the patent claims and on conflicting patents of prior date.

Having lost its case, the Barnes company was charged with about \$40,000 in costs. The firm disputed these in the federal court of appeals and finally the Supreme Court, where a writ of certiorari was sought to bring up the entire lower court record. Denial of this writ was considered to have closed the case.



## TO SAVE TIRES

At a railway shop a demountable magnet, product of Stearns Magnetic Mfg. Co., Milwaukee, sweeps roads around unloading tracks clear of tire-ripping nails when it isn't lifting cargoes. The magnet is powered by an emergency generator mounted on a pallette; a fork truck carries both units. The improvised sweeper picked up 300 lb. of nails the first day out.



Operations are safer with



## Air Conditioning



Hospitals are finding year 'round air conditioning an indispensable aid in operating rooms. Patients, doctors, and staff are all greatly benefited by its controlled temperatures and invigorating freshness.

Years of experience in this work have taught us how best to satisfy the special requirements of operating rooms.

High relative humidity is necessary to carry away static electricity; explosion-proof motors and switches are used; fresh conditioned air is admitted in unusually large proportions; controls are automatic, but can be instantly adjusted by the surgeon. Drafts, noise, dust, and unsteady conditions are avoided.

Does your hospital have air conditioning? Would you like to get literature on the subject? Write to



The operating room at the Detroit Osteopathic Hospital, among many others, has Frick Air Conditioning





## Pep for Engines

**Automatic alcohol-water injector said to give economical increase in power and efficiency to automotive power plants.**

The smoother engine performance that every motorist has noticed during damp, foggy weather can now be multiplied and be made automatically available whenever needed, according to the manufacturers of an automatic alcohol-water injector for automobile engines based on injectors so remarkably successful in military aircraft engines.

• **Coolant for Intake**—Thompson Products, Inc., of Cleveland has revealed that it has in production the Vita-Meter, a device which, governed by the decreased vacuum in the manifold when the engine is laboring, introduces a flow of internal coolant into the intake.

Work on the principle goes back to 1900, but notable progress has been made in connection with military aircraft, much of it still secret, to obtain bursts of power for takeoff and combat emergencies.

Test data indicate that a 50-50 mixture of alcohol and water is superior to plain water in supplementing the anti-knock qualities of the fuel. Pure alcohol is said to be more effective in producing maximum performance, but is probably ruled out by cost.

• **Uses Any Alcohol**—The chemistry of injection is not too well understood, but the effects appear to be due to the high latent heat of vaporization (50-50 ethyl alcohol and water, 675 B.t.u., gasoline 150 B.t.u.) which allows higher outputs of power by cooling pistons and cylinders, thereby suppressing detonation and preignition.

Any alcohol apparently can be used, supplying B.t.u.'s to the charge, in addition to oxygen, as well as lowering the freezing point of the injection liquid.

In a passenger car or truck installation, a tank of approximately 10% of the fuel capacity is mounted where space permits, but a pump is required for levels below the carburetor.

• **Engine Deposits Reduced**—Under variable loads, engine deposits were found to be softer and more easily removed in motors using injection. Engines were said to be remarkably clean after long full-throttle runs. Tests with lower-octane gasolines showed, in general, that addition of the internal coolant improved the rating of the fuel by at least ten octane numbers. Best results were obtained when the fuel was

around twelve numbers lower than the engine requirement.

Alcohol-water injection apparently does not increase corrosion, and there have been no reports of alkali deposits in the engine from its use.

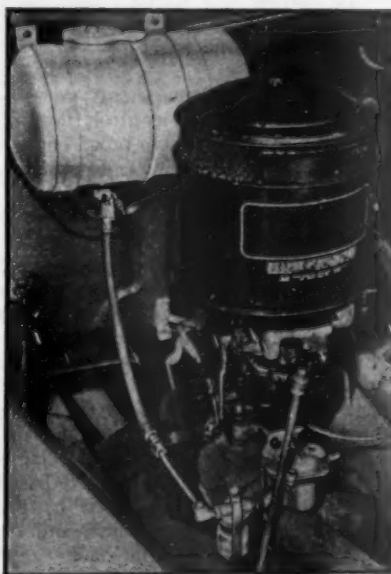
• **Available This Year**—Present demand was said to exceed 1,000 units a day, but it is hoped some injectors will be available for the public this year.

They would be particularly useful at present because of the low octane gasoline in use. A. T. Colwell, Thompson vice-president, said a separate company division was planned for the manufacture of the device.

Dr. William J. Hale, research consultant for the Dow Chemical Co., recently hailed the Vita-Meter as "the great step forward in automotive engineering in years." Engineers of Willys-Overland Motors, Inc., and the Mack Mfg. Corp. also have reported enthusiastically on their experiments.

• **Cost a Key Factor**—Other engineers cautiously forecast that general use will be resolved by the cost factor, with the ultimate economy depending upon the grade of fuel used and the percentage of time the motor is operated at full throttle.

Because light aircraft engines run a full load only a small portion of the time, it is probable that they will be designed after the war to operate on fuel for ground vehicles. Thus it is predicted that alcohol-water injection will be particularly valuable in this field.



In a typical installation of the Vita-Meter in an auto, the alcohol-water supply tank is mounted high enough to provide gravity feed for its injector which is designed to give the engine an extra punch under heavy loads.

## Color in Plants

**Experiment shows gain in output of workers following repainting of machinery in blue, green, and coral shades.**

Bright—and even dainty—colors may be used on production machinery to give a simultaneous lift to worker morale and output. Long a pet theme of many paint manufacturers, the plan has been given a successful tryout at the Thompson Aircraft Products Co. of Cleveland. As a result its 2,000 machines are being repainted, with the objective a production boost (in experiments 15%) at no additional cost.

• **Checks Show Upswing**—Checks were made in the Thompson plant before and after the experimental transformation of the tool room, and J. D. Wright, general manager, reported that they showed a definite upswing in individual performances. It was enough to justify expansion of the program, but Wright made clear that he believes output is always prone to increase temporarily when workers realize they are being checked.

Thompson is using green on the bases of machine tools, buff for silhouetting upper portions, and coral red for moving parts. Coral also is used on danger points—such as hoists—because of its high visibility. The general harmony is preserved in walls, traffic zone markings and dado stripes.

• **Many Plans Suggested**—The adopted color scheme is one of a number of combinations recommended by various manufacturers of paints. E. I. du Pont de Nemours & Co., for instance, suggests light gray with silhouetted portions in buff or light green (BW—Apr. 14, p. 62). Sherwin-Williams has issued a list of 17 proposed harmonies for industrial plants. Pittsburgh Plate Glass Co. urges a dark green for "noncritical" parts of a machine and eleven focal colors for "critical" parts—the selection to be made to contrast machine and material being processed.

Universally recommended in connection with the use of color is a coincident study of lighting. Reflection values of the light colors vary from 25% to 40%, or two to three times the reflection value of standard machine tool gray.

• **Lighting Aids Proposed**—With this in mind, the Arco Co. of Cleveland has published a guide to industrial color selection employing for this purpose five shades of accurately measured reflection value in blue, green, tan, coral, and gray.

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## Controlled Operating Temperatures Pay...

**T**HE EXPECTANT MOTHER hen knows it... she keeps her eggs at a constant temperature. The diesel engine operator knows it too... guards his operating range just as zealously.

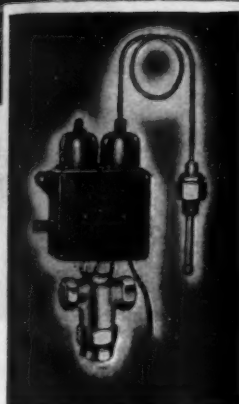
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Too high... and costly damage may result.

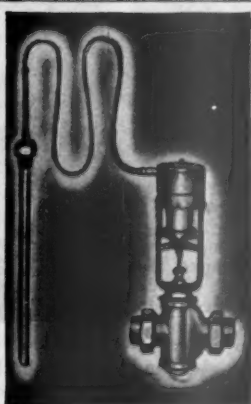
Just right... and that means the temperature recommended by the engine builder. Then there's maximum efficiency—with fuel saving often as much as 10%. No wonder Fulton Sylphon Controls, Nos. 923 and 530, enjoy such popularity.

No. 923 Temperature Regulator automatically controls the coolant flow, shortens the "warmup," gives better performance throughout entire range. If the temperature goes too high, or other emergencies arise, then No. 530 Diesel Engine Safety Control shuts off fuel supply and stops the engine.

For further information, write for Bulletin FW-817.



**No. 530 Fulton Sylphon Engine Safety Control.** If the cooling system fails to function... or if lubricating oil pressure drops too low, control stops engine automatically, instantly.



**No. 923 Fulton Sylphon Regulator** in the cooling line may be equipped with a 3-way valve to divert all or a part of the water through a by-pass. Eliminates manual "cracking."

**New Movie...** "The Story of a Bellows" is available to interested executives and organizations. Not only does it demonstrate graphically how a Fulton Sylphon Bellows converts pressure and temperature changes into controlled mechanical movement, but it also shows clearly the operation of various types of temperature regulators.

# FULTON



# SYLPHON



## The brush that gets the "inside stuff" on moulds..

Dies and moulds used in virtually all industries are kept in producing trim with Osborn Brushes

**D**IES like the one illustrated make parts for every conceivable product. They must be cleaned—thoroughly cleaned and polished or the mould can become fouled and unfit for service. Osborn brushes climb right into those difficult-to-reach contours—removing grease, burned oil, flashings, rubber. And the moulds keep right on producing parts which go into millions of diversified products where they join millions of gears and screws and engine parts which have also been finished with Osborn brushes. Ultimately they will become the ships, automobiles, radios, washing machines and even streamline trains... all of which America is waiting to buy.

Industry after industry... this job is a problem common to all. Brushing wheels, as developed by Osborn, 50-year pioneer and leader in the field, have been *proven* under wartime stress—the best tools for this type of work.

Whatever you make now—or intend to make in the future—whether it's made of rubber, metal, fabric or plastic—it will pay you to investigate the contribution that power brushing, as developed by Osborn, can make to your product. You'll get greater uniformity, better looks and better performance at a lower unit cost—with Osborn power brushing.

Write The Osborn Manufacturing Company now and a trained field engineer will make a study of your present and projected operations—without obligation.

**THE OSBORN MANUFACTURING COMPANY**

5401 Hamilton Avenue

Cleveland, Ohio



WORLD'S LARGEST MANUFACTURER OF BRUSHES FOR INDUSTRY

## NEW PRODUCTS

### Spring Lock Fastener

One of the simplest and least expensive of the blind fasteners to be inspired by wartime requirements is the new Simmons Spring Lock Fastener manufactured by the Simmons Machine Tool Corp., Albany 1, N. Y. It comes as a single unit, consisting of a spring equipped stud (below), to be thrust simply into the mating holes of two pieces of sheet material to be joined together, turned by screwdriver or coin and locked securely by spring pressure.

Since the head of the fastener is designed that it can be turned only in a clockwise direction, it locks or unlocks with a quarter turn in a 90-degree rotation, or can be installed immovably



as a blind rivet. Permanent installation in an outer sheet prevents loss of the fastener when it is unlocked. The little device will be used presently to anchor the removable inspection panels of radio transmitters and other electronic equipment. After the war it is expected to find applications on products ranging from refrigerators and washing machines to cars and ships.

### Heat-Indicating Bands

Newest Sylphseal Bands, developed by the Sylvania Industrial Corp., 12 E. 42 St., New York 17, for the protective sealing of bottles, are being manufactured out of cellulose as formerly but with an indicating dye in their composition which changes color permanently when subjected to heat. Dark green becomes bright orange. Present wartime application, for which they are devised, is around the neck of blood-transfusion bottles to enable



# “Wonder what our competitors pay for power...”



**Y**OU don't have to worry about steam production costs if *your* boilers are fired by TODD burners. Why let inefficient boiler room equipment waste precious fuel today—and cut down your profits when competition gets tough again? Get the jump on power costs *right now*—by modernizing with TODD oil and gas burning equipment.

Industrial and commercial plants all over the country have already installed modern automatic

TODD burners. Today these plants are producing *more power*—with up to 10% *less fuel*. Even larger fuel savings are frequently reported.

TODD combustion engineers are old hands at modernization. Call on them at any time—without obligation—for an impartial survey of your plant, and for suggestions, specifications, estimates. Let them show you in terms of dollars and cents why **NOW IS THE TIME TO MODERNIZE WITH TODD.**

## COMBUSTION EQUIPMENT DIVISION TODD SHIPYARDS CORPORATION

601 West 26th Street, New York 1, N. Y.

NEW YORK, BROOKLYN, ROCHESTER, HOBOKEN, NEWARK, BARBER, N. J., PHILADELPHIA, SO. PORTLAND, ME., BOSTON, SPRINGFIELD, MASS., BALTIMORE, WASHINGTON, CHICAGO, GRAND RAPIDS, TAMPA, GALVESTON, HOUSTON, MOBILE, NEW ORLEANS, LOS ANGELES, SAN FRANCISCO, SEATTLE, TACOMA, MONTREAL, TORONTO, BUENOS AIRES, LONDON

**ON THE FIRING LINE OF AMERICA'S WAR PRODUCTION FRONT**

**TODD**



## *Hold that line!*

### A Thought on Peace-time Business That Helps War Production

Stabilized, maximum employment is not only possible, it's essential if we are to maintain our American standard of living—and you can do something about it—*now*.

**We Suggest This . . .** (1) Determine your minimum needs to begin post-war business. (2) Place unrated orders for these necessary materials to be delivered when restrictions permit. (3) Advise your customers to follow this same plan.

**Here's Why . . .** (1) This plan permits *suppliers* to anticipate your needs and begin earlier production on them. (2) It also gives *you* a backlog to start you off when Uncle Sam cancels *his* orders. (3) Employees knowing of your activity in this respect will be more content and interested in their work—

they'll feel more secure about your business offering peace-time jobs. (4) Your staff will be oriented in their thinking and less susceptible to vague reconversion worries.

With all business following this plan, the gap will be shortened. Depleted world markets will be more *quickly* exploited. Those 55 million peace-time jobs needed for an ideal post-war economy will be much closer to actuality.

**Remember . . .** *Good* management always sees its responsibility to the overall national welfare. As C.E.D. reports, "the companies that are doing the best on war contracts are the same ones that are doing the best post-war planning." For reprints of this ad, write Heppenstall Company, Pittsburgh 1, Pa.

## HEPPENSTALL,

the most dependable name in forgings

a doctor, nurse, or processor of plasma to tell at a glance whether a unit has been sterilized or not.

Future peacetime applications have not been explored, but it is anticipated that the "blushing bands" will find their way into the packaging of pharmaceuticals. It is suggested that bottles of certain heat-sensitive chemicals and biologicals could carry bands whose color would indicate any failure to keep them properly refrigerated. Colors will not be limited to the green-orange sequence.

### Vertical Salt Bath

Purpose of the new Upton Vertical Electric Salt Bath Furnace, developed by the Upton Electric Furnace Division, 7450 Melville St., Detroit 17, is the annealing and other heat treatment of long broaches, shafts, and similar members in a vertical position. Sagging that sometimes accompanies horizontal heating is reported to be eliminated. Depth of the bath is 81 in.; surface area of the bath only 9x9 in., thus keeping to a minimum the



amount of salt to be brought to and kept at high temperatures.

Heating electrodes are at the bottom of the pot, hence do not intrude on the working space. Efficiency of the arrangement is said to be proved in "actual operation where, while a temperature drop of 4 F (just enough to actuate the 'on' and 'off' controller) can take place at the bottom of the pot, the molten salt at the top of the pot remains at practically constant temperature. Moreover, when long pieces of cold work are introduced into the bath, there is a uniform drop in temperature through the entire bath."

## THINGS TO COME

Rapid growth in the number of industrial electronic installations need not mean that future radio reception will thereby suffer in quality. Recent experiments on shielding many sorts of electronic power generators, including the increasingly popular high-frequency heaters and electronic welding machines, indicate that the field strength of radiations which might interfere with home radios can be reduced by a factor of 45,000 to 1, or virtually to zero.

If a single screen cage over an active wave-thruster will not reduce radiation sufficiently, a double screen cage will almost certainly do the trick. Cages that have to be opened too frequently while power is on, with consequent broadcasting of interference, can be equipped with double wave-trap doors similar in principle and operation to light-trap doors in photographic darkrooms. Some cages can be equipped with wave-trapped conveyors to carry work to and from machines.

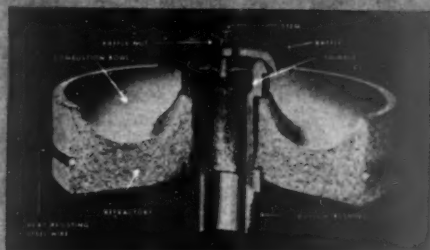
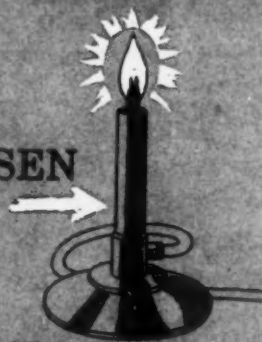
- Seeds sown by airplane will provide this spring's Victory gardener with little more than academic interest, for it is estimated that a 120-m.p.h. hedge-hopper could spread them to a density of one seed per square foot at the rate of 14,000 acres an hour. It is proposed that such seeds be inclosed in pellets of clay to which substances repellent to insects, birds, and rodents have been added. Weight of the clay would cause each little ball to penetrate the earth. Moisture in the clay would give an assist to the seed's prompt germination.

- The almost inaudible swish of the oxyacetylene torch could conceivably supersede the rat-a-tat-tat of the rock drill for sinking holes in granite, if continuing experiments bear out their present promise. Since that particular rock crumbles to sand-like particles under high heat, a torch consisting of a hollow, water-cooled pipe acts as a drill, disintegrating the rock, which is carried away by the cooling water at hitherto unattainable speeds up to one linear inch of hole in 15 seconds. Extension of the torch-drill to other kinds of rock will depend upon their behaviour under heat.

Whether BUNSEN

or

"INFRA-RED" Burner



# GAS is the

## SUPERIOR SOURCE of HEAT

For decades the Bunsen Burner has been unsurpassed for use in the laboratory, wherever quick heat is required. Today, in thousands of industrial plants, the "Infra-Red" Ceramic Burner and other modern gas equipment developed through continuous research are supplying intense, flexible, accurately controllable heat for all types of industrial heating operations. Large savings in time, floor space and other values accrue.

Tirelessly, Gas scientists and equipment manufacturers strive to design new methods of Gas heat application that will do the best job for a specific purpose. The results are seen in industrial Gas heating equipment which has not only made a significant contribu-

tion to the war effort but is destined to play an increasingly important role in peacetime production.

There is a man perhaps only a few blocks from your office who, from large resources of information and experience, can advise you fully what Gas can do in your plant. He is the Industrial Gas Engineer of your local Gas Company. There is no charge for consulting him.

### AMERICAN GAS ASSOCIATION

INDUSTRIAL AND COMMERCIAL  
GAS SECTION

420 Lexington Avenue, New York 17, N. Y.

**THE TREND IS TO GAS**

FOR ALL  
INDUSTRIAL HEATING

BUY WAR BONDS... HELP SPEED VICTORY!



## Rail Separation

**Jersey Central to transfer properties in Pennsylvania to new subsidiary in maneuver to escape "inequitable tax."**

Trustees of the bankrupt Central Railroad of New Jersey have apparently given up all hope of any immediate amendment of New Jersey's state franchise tax law to remove what the road has long called inequitable application of the statute to its operations.

• **Subsidiary Proposed**—The trustees are now ready to embark on some unique corporate maneuvers to "forestall if not eliminate" protracted litigation on future New Jersey franchise tax assessments. As a starter, the U. S. District Court at Newark has been asked to approve transfer of all Jersey Central's functions and properties in Pennsylvania

to a new, wholly owned subsidiary, the Central Railroad Co. of Pennsylvania.

Under the plan, the trustees propose to lease to Central of Pennsylvania such Jersey Central locomotives and other rolling stock and equipment as the subsidiary will need for operating purposes. The new company also would be provided with \$750,000 cash working capital.

In return Central of New Jersey would receive all the capital stock of the new subsidiary, and would be paid, in the form of rent, a stated percentage of Central of Pennsylvania's actual yearly earnings based upon the amount of the parent company's investment in the leased property.

• **Unequal Burden Claimed**—The franchise tax, which all roads operating in New Jersey have joined in fighting in past years, is a levy against each system's net railway operating income (gross operating revenues, less all operating expenses but before addition of "other income" or deduction of outlays

for interest charges, leased line rentals, etc.). The tax liability is based on the percentage of each road's total mileage located within the state.

In the case of Jersey Central, two-thirds of its mileage happens to be located in New Jersey since it has a comparatively short main line which extends only from the Hudson River at Jersey City to the hard coal region of eastern Pennsylvania. Thus, a higher percentage of its net railway operating income is subject to the franchise tax than is the case with other major roads traversing New Jersey.

To make matters even worse, according to the trustees, the New Jersey mileage—due to the millions that have had to be invested in terminal properties to handle the freight traffic originating elsewhere and the road's costly suburban passenger business—is an unprofitable segment of the system.

• **Sought Lower Rental**—Jersey Central's trackage in Pennsylvania (known as the Lehigh & Susquehanna Division) is the system's most profitable mileage. But it is not owned by the road. Since 1871 that segment has been operated under a lease from Lehigh Coal & Navigation Co. (BW—Mar. 18'44, p. 63).



## BUSINESS ADVISERS MEET WITH PRESIDENT

Some members of the Business Advisory Council for the Dept. of Commerce pose for news cameras on the White House steps after their first joint meeting with President Roosevelt and his new Commerce secretary, Henry A. Wallace, last week. They and their business affiliations are (left to right, front row): James Young (J. Walter Thompson Co.); Wallace; Thomas B. McCabe (Scott Paper), chairman; John L. Collyer (B. F. Goodrich); Robert L. Mehornay (North-Mehornay Furniture); Ralph E. Flan-

ders (Boston Federal Reserve Bank); Richard R. Deupree (Procter & Gamble). Second row: Paul B. McKee (Portland Gas & Coke); G. M. Humphrey (M. A. Hanna Co.); Stacy May (McGraw-Hill Publishing Co.); Prentiss M. Brown (Detroit Edison); Robert H. Patchin (W. R. Grace & Co.); John W. Snyder (St. Louis First National Bank); Ernest G. Draper (Federal Reserve System); Harrison Jones (Coca Cola Co.). Third row: Deane W. Malott (University of Kansas); James S. Knowlson (Stewart-Warner); Walter White, assistant to the chairman; and W. Gibson Carey, Jr. (Yale & Towne).

# Pennsylvania Railroad Reports on its 98th Year of Service

## INCOME STATEMENT

INCOME:	1944	Comparison with 1943
Operating Revenues—Freight, Passenger, Mail, Express, etc. . . . .	\$1,010,015,912	I \$30,242,757
Other Income—chiefly dividends and interest on securities owned . . . . .	39,272,649	D 3,230,869
Total . . . . .	1,049,288,561	I 27,011,888
EXPENSES:		
Operating Expenses . . . . .	736,318,745	I 72,808,034
Taxes . . . . .	152,838,409	D 27,567,082
Equipment and Joint Facility Rents . . . . .	11,886,692	I 3,576,150
Other Charges—chiefly rentals paid for leased roads and interest on the Company's debt . . . . .	83,524,284	D 1,107,161
Total . . . . .	984,568,130	I 47,709,941
Net Income . . . . .	64,720,431	D 20,698,053

## DISPOSITION OF NET INCOME:

Appropriations to sinking and other funds, etc. . . . .	3,244,558	I 1,320,439
Retirement of Debt—Penna. R.R. Co. . . . .	18,767,970	I 1,456,970
Dividend 5% (\$2.50 per share) . . . . .	32,919,385	—
Transferred to credit of Profit and Loss . . . . .	9,788,518	D 23,475,462

## RESULTS FOR THE YEAR

Business continued at a very high level during 1944, the volume being the largest in the Company's history. Operating revenues for the first time in almost one hundred years of operation amounted to over one billion dollars.

While operating revenues increased \$30,242,757, due to the greater volume of traffic, this was more than offset by an increase of \$72,808,034 in operating expenses, caused principally by the full effect of the wage increases referred to in the 1943 report, increased costs of material and fuel, and the cost of handling the larger volume of business. Taxes remained abnormally high. As a result, Net Income of \$64,720,431 was \$20,698,053 less than in 1943, and \$36,748,362 less than in 1942. Notwithstanding this fact, the dividend paid in 1944 was maintained at the same rate paid in 1943 and 1942, or 5% (\$2.50 per share).

## TAXES

Railway taxes of the Company for 1944 (federal income taxes, excess profits taxes and other federal, state and local corporate and property taxes), amounted to \$126,034,483. They were, with the exception of 1943, the highest in the history of the Company. These taxes, together with Unemployment Insurance taxes of \$12,862,679, and Railroad Retirement taxes of \$13,941,247, aggregated \$152,838,409.

All taxes required 15.2 cents out of each dollar of operating revenue, the equivalent of 23.3% upon the capital stock, or \$11.63 per share. The extent of the tax bill in 1944 is well indicated by the fact that taxes took about 70 cents out of every dollar left after paying operating expenses and other charges.

## REDUCTION OF FUNDED DEBT

Substantial reductions in the outstand-

ing debt in the hands of the public continued during the year, the debt of System Companies being reduced \$31,283,927. The debt of the System in the hands of the public shows a net reduction of \$138,000,000 during the last five years.

## REFINANCING OF BONDS

Refunding operations, detailed in the report, have resulted in calling for redemption, during 1944 and so far this year, four issues of bonds totalling \$140,735,000, while new issues, totalling \$129,735,000, and bearing lower rates of interest, have been sold to provide funds for the redemptions. These transactions insure ultimate savings of approximately \$61,000,000. In addition, refunding operations of three terminal companies, jointly owned with other railroads, will produce ultimate savings to the Pennsylvania of approximately \$9,200,000.

## THE EMPLOYEES

The Board takes pleasure in acknowledging the continued loyalty and efficiency of the employees, who have supported the war effort in full, and co-operated wholeheartedly and effectively with the management.

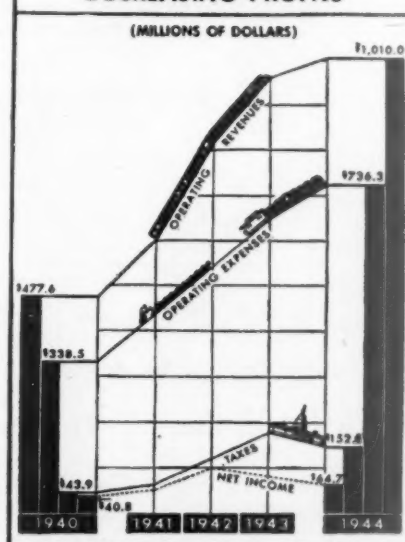
A remarkable job has been done by these employees—continuously now for five years—and it is to the lasting credit of these men and women who staff and operate the railroad that they have never failed to meet their responsibilities in all the problems that have confronted the railroad.

## STOCKHOLDERS

The Capital Stock of the Company at the close of the year was owned by 213,121 stockholders, an increase of 3,503 compared with December 31, 1943, with an average holding of 61.8 shares.

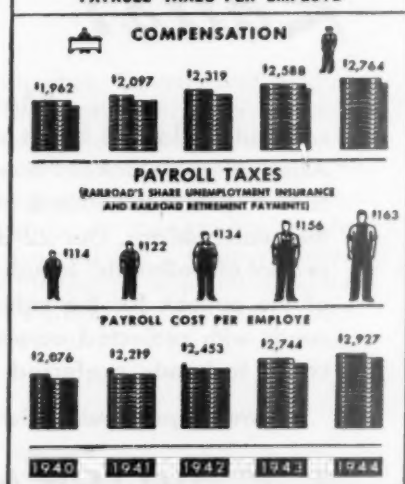
M. W. CLEMENT, President.

## INCREASING BUSINESS DECREASING PROFITS



Even though the volume of business was greater than in any year in the Company's history, Net Income of \$64,720,431 was \$20,698,053 less than in 1943, and \$36,748,362 less than in 1942.

## AVERAGE COMPENSATION AND PAYROLL TAXES PER EMPLOYEE



The chart shows the steady increase in the average compensation per employee of the Pennsylvania Railroad, and in the railroad's share of unemployment insurance and railroad retirement payments over the past five years.

# THE PENNSYLVANIA RAILROAD

*Serving the Nation*

BUY UNITED STATES  
WAR BONDS AND STAMPS

*This announcement is neither an offer to sell nor a solicitation of any offer to buy securities. The offering is made only by the Prospectus.*

**NEW ISSUE**

## Continental Can Company, Inc.

**150,000 Shares \$3.75 Cumulative Preferred Stock**  
(Without Par Value)

**Price \$102.50 Per Share**  
plus accrued dividends

*Copies of the Prospectus may be obtained within any State from the undersigned only by persons to whom the undersigned may regularly distribute the Prospectuses in such State.*

<b>Goldman, Sachs &amp; Co.</b>	<b>Lehman Brothers</b>
<b>Blyth &amp; Co., Inc.</b>	<b>The First Boston Corporation</b>
<b>Harriman Ripley &amp; Co.</b> <small>Incorporated</small>	<b>Kidder, Peabody &amp; Co.</b>
<b>Mellon Securities Corporation</b>	<b>Smith, Barney &amp; Co.</b>

March 14, 1945.

# Rails?

**MARKET ACTIVITY** in railroad stocks and bonds since the start of the Allied offensive makes it essential for all investors to re-appraise the outlook for the future value of their rail holdings. Our 22-page "Post-War Appraisal of Railroads" includes a general analysis of the outlook for the industry, statistics on 46 roads with projected earnings and their application to bonds, preferred and common stocks.

Write on your letterhead for a copy of BW-88

**E. F. HUTTON & COMPANY**  
SIXTY ONE BROADWAY  
NEW YORK 6, N. Y.

MEMBERS NEW YORK



STOCK EXCHANGE

and its use in recent years has called for an annual rental of almost \$2,300,000.

This rental charge has for some time accounted for almost one-half of Jersey Central's total annual fixed-charge requirements. Even before the road threw in the towel and asked for reorganization under Section 77 in late 1939, it was trying to persuade the coal company to agree to easier terms.

Lehigh Coal & Navigation, however, was adamant and, recognizing the importance of the trackage to Jersey Central, threatened to operate the Lehigh & Susquehanna Division mileage as an independent road. Three years ago the court ordered the trustees to continue the lease as it stood.

• **Sublease Approved**—An amicable settlement of all these differences has just been reached. The coal company has also agreed to a sublease of its railroad property to Central of Pennsylvania. But the rental charge is to remain unchanged and Jersey Central's trustees will not be relieved of their liability for the annual payments.

If the court approves, Jersey Central and Central of Pennsylvania will start operating at once as two separate railroad properties. The latter will establish its own tariffs. The division of revenues between the two roads on any joint haulage will be established on the same basis that is customarily used between other railroads in the same territory.

• **Tax Saving Expected**—The separation, the trustees say, will enable them to "establish the extent of the net income derived from the operation of the Pennsylvania properties," and to determine whether system facilities in the Hudson River terminal area are being operated profitably.

But more importantly, since the present method of computing the franchise tax gives Jersey Central no credit for its heavy leased-line rentals, William Wyer, chief executive officer of the system, estimates that the change would be the means of bringing about a substantial reduction in the road's future tax payments to New Jersey.

Savings in New Jersey taxes would be offset somewhat by increases in federal and Pennsylvania levies. But there is plenty of leeway in that connection. Wyer has already figured that under the new setup savings in New Jersey taxes alone would have been \$2,100,000 in 1943, more than \$1,000,000 in 1942.

The change, it is claimed, would make the eventual reorganization of the road an easier job. But Wall Street rail experts don't expect to see much activity in that direction for some time to come.





## OF THE DELICIOUS FLAVOR OF FINE FOODS . . .

So that you may relish the delicious flavor of fine foods so abundantly produced in America, potassium and phosphate chemicals produced by International are widely used to improve the quality and yield of crops. The essential nutritional requirement for phosphorus in poultry and cattle feeds is met by the use of Inter-

national Defluorophos. Canners and food processors accentuate the rich, savory flavor of their products with International Mono Sodium Glutamate. You benefit in these and many other ways from the minerals and chemicals produced by International for agriculture, for the food and drug trades and for a wide variety of manufacturing industries. *International Minerals & Chemical Corporation, General Offices: 20 North Wacker Drive, Chicago 6, Illinois.*

*International* **MINERALS  
CHEMICALS**  
**MINERALS and CHEMICALS**

...serve you in many ways through industry and agriculture: **POTASH and PHOSPHATE** for industrial chemicals and fertilizers. **HIGH-ANALYSIS FERTILIZERS** for larger yields of quality crops. **CHEMICALS:** Mono Sodium Glutamate, Glutamic Acid, Potassium Chlorate, Silica Gel, Epsom Salt, Defluorinated Phosphate, Sodium Silico-Fluoride, Sulphuric Acid and others.

# Follansbee

offers a combination of

*Service  
and  
Quality*



When your requirements call for Cold Rolled Strip to exacting specifications—and speedy delivery is also imperative—Follansbee offers that hard-to-find combination of service and quality which enables you to maintain your production schedules and your own high product standards.

You'll find Follansbee Cold Rolled Strip precision rolled to the exact temper, gauge, width and finish your specifications demand. Follansbee's skilled organization also possesses a flexibility which frequently permits the adjustment of mill schedules to serve in extraordinary situations.

It's a good plan to satisfy yourself on Follansbee quality *now*, even before you're pressed for time on delivery. Then, should you need hurry-up service, you'll feel free to rely on Follansbee commitments on delivery.

## FOLLANSBEE STEEL CORPORATION

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*Sales Offices*—New York, Philadelphia, Rochester, Cleveland, Detroit, Milwaukee. *Sales Agents*—Chicago, Indianapolis, Houston, St. Louis, Nashville, Los Angeles, San Francisco, Seattle; Toronto and Montreal Canada. *Plants*—Follansbee, W. Va. and Toronto, O.

ALLOY BLOOMS & BILLETS • SHEETS & STRIP • CLAD METALS • COLD ROLLED CARBON SHEETS & STRIP  
POLISHED BLUE SHEETS • ELECTRICAL SHEETS & STRIP • SEAMLESS TERNE ROLL ROOFING

## New-Issue Spurt

Rise in corporate financing is partially attributable to the advent of another war loan. SEC backlog still grows.

Spurred by realization that the active phase of the Seventh War Loan drive is less than two months away, much new corporate financing is now rushing to get under the wire. In fact, the corporate new issues market is finally showing so much acceleration that the current week is quite apt to prove the busiest one enjoyed by Wall Street's underwriting houses thus far in 1945.

• **Laclede's Big Deal**—Largest financing operation set for launching this week was completed Monday when Laclede Gas Light Co. secured almost \$32,000,000 of cash for refunding purposes through the sale of \$19,000,000 new 3½% mortgage bonds, \$3,000,000 of 3½% debentures, and 2,165,000 shares of new common stock.

Also scheduled for early completion are a number of additional hefty pieces of financing. These include offering of \$15,000,000 new Marshall Field & Co. 4½% preferred shares, at which holders of the present 6% stock are being given the first crack; \$24,000,000 Wheeling Steel 3½% first mortgage bonds, sold to refund 3½%; that part of \$7,000,000 new Anchor Hocking Glass Corp. \$4 preferred not taken by holders of the \$5 shares now out; and \$4,000,000 of New Florida Power Corp. preferred, to refund \$7 shares. There are at least four smaller operations that will involve the sale of 160,000 shares of preferred and 205,000 of common stock.

• **Backlog Increases**—Despite the increase in activity, the backlog of new issues awaiting clearance from the Securities & Exchange or Interstate Commerce commissions still shows a rapid growth.

Wall Streeters, as a result, now expect to see by mid-April the completion of many very substantial pieces of new corporate financing. These should include the public offering of new bond issues, ranging in size from around \$25,000,000 up to \$80,000,000 by such companies as Pacific Gas & Electric Co., Ohio Edison Co., Texas Electric Service Co., Chicago & North Western Ry., the Reading Co., Distillers Corp., Seagrams, Ltd., and New York Power & Light Corp.

• **Likely Candidate**—Among other likely candidates for public offering before the Seventh War Loan starts



SIMON BOLIVAR was the first great leader of South American independence, and father of the Pan-American idea. In 1826, his vision of inter-American unity was realized with the opening of the first Pan-American Congress in Panama.

## First in South America

*National City was the first U.S. national bank to establish a branch in South America and promote inter-American banking and trade.*

IN 1914, The National City Bank of New York pioneered in bringing the Americas closer together, commercially and financially, through the establishment of a branch south of the border. Today, City Bank branches are located throughout South and Central America and the Caribbean.

The 2,000 men and women who staff these 35 inter-American branches speak the language and are intimately acquainted with the customs and business requirements of their respective countries.

Through Head Office in New York or correspondent banks throughout the world, you can take advantage of National City's long experience and wide-spread facilities—in South America, or anywhere else in the world.

### THE NATIONAL CITY BANK OF NEW YORK

Head Office: 55 Wall St., New York

65 BRANCHES IN GREATER NEW YORK



#### 39 ACTIVE OVERSEAS BRANCHES

<b>ARGENTINA</b> Buenos Aires Flores (Buenos Aires) Plaza Once (Buenos Aires) Rosario	<b>Matanzas</b> Santiago
<b>BRAZIL</b> Rio de Janeiro Pernambuco Santos São Paulo	<b>ENGLAND</b> London 117, Old Broad St. 11, Waterloo Place
<b>CANAL ZONE</b> Balboa Cristobal	<b>INDIA</b> Bombay Calcutta
<b>CHILE</b> Santiago Valparaiso	<b>MEXICO</b> Mexico City
<b>COLOMBIA</b> Bogota Barranquilla Medellin	<b>PERU</b> Lima
<b>CUBA</b> Havana Cuatro Caminos (Havana) Galiano (Havana) La Lonja (Havana) Caibarien Cardenas Manzanillo	<b>PUERTO RICO</b> San Juan Arecibo Bayamon Caguas Mayaguez Ponce
	<b>REPUBLIC OF PANAMA</b> Panama
	<b>URUGUAY</b> Montevideo
	<b>VENEZUELA</b> Caracas

## First in World Wide Banking

Member Federal Deposit Insurance Corporation





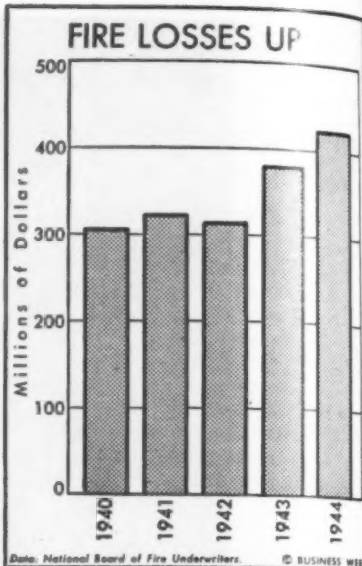
## WHY IS A POSTAGE STAMP?

That's right—to mail a letter! And there's no better way than by the Postage Meter—in your own office . . . The Postage Meter prints any stamp value, as and when you want it—seals envelopes, too—fast . . . holds any amount of postage for any kind of mail—including air mail, special delivery, parcel post; theftproof, foolproof, accounted for . . . speeds your mail through the postoffice to earlier trains and planes, because metered mail needs no canceling, no postmarking. There's more than meets the eye in *this* postage stamp . . . as thousands of fortunate firms now know, as thousands more will know when our war job is done. Meantime, for an interesting booklet, write today to



## PITNEY-BOWES Postage Meter Co.

1483 Pacific Street, Stamford, Conn.  
In Canada: Canadian Postage Meters, Ltd.



Fire losses have risen steadily in recent years, just as they did in the World War, and expanded to \$423,538,000 in 1944, 11% above 1943 levels and 35% greater than in 1942. This is the biggest fire loss reported in any year since 1938. Largely because of this trend and because average premium rates are the lowest on record, fire underwriting is now generally unprofitable. Insurance experts say the larger loss payments are due chiefly to rising values and higher costs, and to the lessened wartime maintenance and care of property. January, 1945, showed losses 16% greater than year-earlier levels and little improvement in the recent trend of fire losses is expected as long as the war lasts.

rolling are a \$60,000,000 new Virginian Ry. bond issue to refund present 3½s; some \$10,000,000 of new General Tire & Rubber Co. preferred and common stock, part for refunding and part for new money needs; a \$74,000,000 Erie Railroad issue to replace 4s now out; and 500,000 shares of new Tide Water Associated Oil Co. preferred to redeem present \$4.50 stock, though this issue will first be offered to stockholders.

A substantial increase in capital, involving the sale of a large amount of new preferred or debentures, is likewise reported to be under active consideration of directors of Liggett & Myers Tobacco Co. for refunding purposes. Also, Central Vermont Public Service may soon sell \$7,000,000 of new bonds, Central Illinois Electric &

1944  
BUSINESS WEEK

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as \$15,000,000, and Virginia Elec-  
Power Co. \$33,000,000.

**Moot Question**—Whether new cor-  
porate bond issues offered between the  
fifth and seventh war bond drives will  
equal the extraordinary \$1,600,000,000  
total reached in the months between  
the fifth and sixth loans (BW—Dec.  
74,p76) is still a moot question.

Only some \$830,000,000 of new  
issues have been seen since the sixth  
drive ended last December. Many in  
the financial district thus have doubts  
that an additional \$800,000,000 is apt  
to materialize by mid-May even though  
the quick oversubscription of most  
recent new offerings indicates that a  
seller's market" still prevails.

Wall Street, however, expects pre-  
ferred stock refunding operations to  
assume considerable prominence in the  
new issues market from here on as a  
result of the marked success last week  
of the offering of 150,000 shares of new  
Continental Can Co. preferred. This  
more the record-breaking low dividend  
rate of \$3.75 and was sold on a yield  
basis of but 3.65%.

### AXTON-FISHER PROSPECTS

Philip Morris & Co., Ltd., paid \$8-  
25,000 for the plant, warehouse,  
brands, goodwill, real estate, and part  
of the inventory of Axton-Fisher To-  
bacco Co., Louisville (BW—Jun.24'44,  
6118), the annual report of Axton  
showed last week.

Class B stockholders have received  
out of the liquidation by Transamerica  
Corp. a distribution of tobacco ware-  
house receipts valued at between \$90  
and \$100 a share and a cash dividend  
of \$7.50. The balance sheet as of Dec.  
21, 1944, showed excess of assets over  
liabilities approximating \$294,860 sub-  
ject to contingent liabilities.

Should it be found that no refund  
is due the U. S. government in ex-  
pending renegotiation proceedings, as is  
believed by the Axton management to  
be the case, and should a Puerto Rican  
treasury claim be settled without charge,  
the surplus would equal \$2.07 a share  
on the 142,000 shares of Class B stock  
outstanding. If the Puerto Rican  
claim should be settled at its maximum  
sum of \$105,000, it would cause a re-  
duction of 74¢ a share of Class B,  
leaving \$1.33 as a possible final liqui-  
dating dividend.

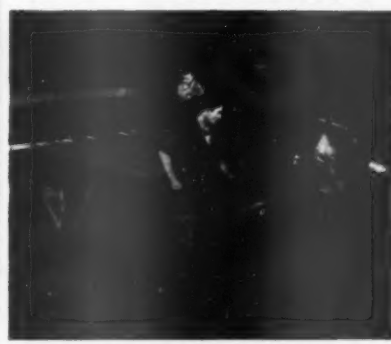
### WAR INSURANCE RENEWAL

War Damage Corp., the Reconstruc-  
tion Finance Corp. subsidiary organized  
to handle government-written war dam-  
age insurance, is reported to have de-  
cided to repeat last year's action (BW—  
Apr.8'44,p108) and renew for another



## "HOW DOES MUEHLHAUSEN MAKE THOSE SUPER-SIZE SPRINGS?"

Well—it's this way. Those big babies must be  
coiled hot, to extremely close tolerances...and  
produced in quantity at P-38 speed. It's specialized  
work that demands very specialized equipment. So  
—Muehlhausen has one huge plant totally devoted  
to hot-forming. It is all conveyorized. Production  
is governed by a central laboratory. The quench-  
ing tanks are the size of swimming pools, and sky-  
scraper-like shot blasters give springs clean, lustrous  
finish and added life.



Automatic tapering of bar ends prior to coiling



Precision hot-coiling springs on automatic equipment



Precision grinding squares both spring ends at once



Shipping finished springs in carload lots

To really appreciate how your production schedule and product can  
benefit by these extensive facilities, call Muehlhausen in on your next  
spring job. Write today for our new booklet on hot-coiling springs.  
**MUEHLHAUSEN SPRING CORPORATION** (Division of Standard  
Steel Spring Company), 775 Michigan Avenue, Logansport, Indiana.

To improve product performance, use  
**MUEHLHAUSEN**  
Designed  
**SPRINGS**



## Tax Law Changes That Would Aid Reconversion Financing

The winning of the war as speedily as possible is paramount, of course, to every other consideration. But the managements of a large number of American industrial concerns are now properly considering reconversion problems they must eventually face.

As a commercial bank vitally interested in the financial problems of its customers and industry generally, this Company discusses in the current issue of its publication, "The Guaranty Survey," suggested changes in Federal tax laws and their administration that would be of substantial aid in financing reconversion. These changes relate to excess profits tax refunds, carry-backs of losses and unused excess profits tax credits, and refunds due to accelerated amortization of war production facilities.

*Copies of this issue of "The Guaranty Survey," our monthly review of business and financial conditions in this country and abroad, will gladly be sent upon request to anyone interested.*

## Guaranty Trust Company of New York

**Capital Funds, \$302,000,000**

**140 Broadway  
New York 15**

**Fifth Ave. at 44th St.  
New York 18**

**Madison Ave. at 60th St.  
New York 21**

Member Federal Deposit Insurance Corporation Copyright, Guaranty Trust Company of New York 1945

year all insurance now in force without payment of premium and without necessity for action by the insured.

This automatic extension, it is said, will not apply to coverage written in such policies as builders' risks on buildings registered mail, or express. Also, new and additional war damage insurance will be subject to rates and conditions previously established by law.

## Life Payments Up

Insurance death benefits on policyholders in the military services show a large increase. Other claims rise also.

Death benefit payments on life insurance policies owned by members of the armed forces or the merchant marine soared to \$64,010,000 in the last half of 1944, compared with \$30,820,000 in the first six months, according to the Institute of Life Insurance.

Total of such payments since the start of the war had moved up to around the \$161,000,000-level by the 1944 year-end.

• **Percentage Rises**—Death claims paid on servicemen's policies up to the end of 1944 had accounted for only 4.7% of aggregate life insurance payments since the war started. Obviously, however, this ratio has been rising rapidly since the invasion of Europe and the stepping up of activity in the Pacific. Disbursements on such policies actually represented 10.8% of all death payments in the final half of last year, compared with but 5% in the first six months.

All death payments made by the insurance companies in 1944 rose to almost \$1,205,000,000, a level 10% above 1943 and 19% more than in 1941, the last prewar year. Nevertheless this expansion, reports the institute, has little real significance as U. S. families now own 19% more insurance than in 1941; the ratio of death payments to insurance in force has changed little in the past three years.

• **More Annuities**—Last year payments of matured endowment policies moved 11% above 1943 in 1944 and set a new all-time high at \$354,644,000. Annuity payments rose to \$175,536,000, but calls for policy surrender values, due to further improvement in the personal finances of most policyholders, dropped 21% to \$229,311,000.

All payments to policyholders or beneficiaries in 1944, including dividends of \$431,114,000, against \$404,002,000 in 1942, totaled \$2,481,257,000.



# OFFERED TO ADVERTISERS



## A NATIONAL SHOW for your product FOR \$37,200 A YEAR complete



No, it's not something done with mirrors. Neither is it one of those post-war miracles made out of soybeans.

Here is a national show for your product for \$37,200 a year, complete. We'll repeat that for you: \$37,200. Not \$370,000 or \$670,000.

The audience? 1,500,000 families, minimum — that's better than a 5.0 rating. And mind you, these are not miscellaneous families, but a distinctive, intelligent audience — the audience of people who enjoy reading.

True, they listen to radio, and they look through other magazines. But because good reading is their great pleasure Redbook magazine is Number One on their hit parade. To get this

show they pay 25¢ admission; they turn to each issue many times — give it three and a quarter hours a month.

Just think how your product can dominate this audience with a full page in every issue — 12 full pages a year. That's what you get for \$37,200.

Should you neglect such an opportunity? Especially when you stop to think that it is advertising like this that built most great advertisers of today!

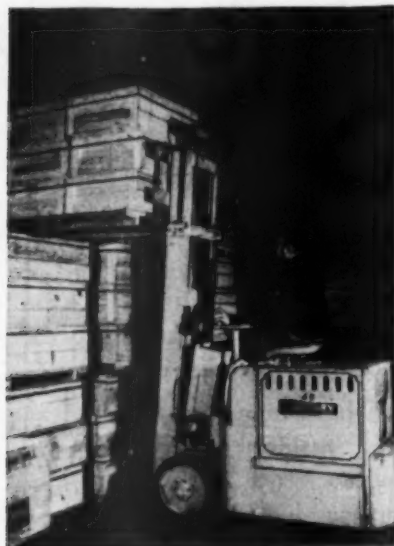
While Redbook is now over-sold, we'd like to send you "The Rating You Can Expect in Redbook." Write Redbook, 230 Park Avenue, New York 17, New York.

### A 20.0 Rating, Coast-to-Coast.

Six million families — 1 out of every 5 — read Redbook, Cosmopolitan and American, THE MONTHLY GROUP — with less than 15% duplication. A national rating of 20 points! In all advertising there is no national opportunity equal to it — at anything like the price of \$160,000 for 12 full pages.



# Today **SPEED** Tomorrow **LOW COST** **MATERIALS HANDLING**



Today **SPEED** is the important requisite in materials handling . . . and industrial tractors, trailers and lift trucks are providing the answer.

Tomorrow, with labor and material costs higher and competition more acute, **LOW COST** will be the paramount factor . . . and here again industrial handling equipment will prove the solution. For materials will be moved at lower cost . . . with the greatest safety and with the minimum of man power.

## FREE

Mercury Catalog No. 7-11 contains a wealth of valuable information for the handling executive. Write for your copy today.



THE MERCURY MANUFACTURING CO.  
4146 South Halsted Street  
Chicago 9, Illinois

# MERCURY

TRACTORS • TRAILERS • LIFT TRUCKS

## WAR BUSINESS CHECKLIST

A digest of new federal rules and regulations affecting priorities and allocations, price control, and transportation.

### Decreased Civilian Supply

WPB's Requirements Committee has allocated 591,500 tons of prime steel plate and 15,000 tons of rejects to can manufacturers for the second quarter in response to the industry's request for more than 700,000 tons of prime plate. The allocation is admittedly too small to provide enough steel for the manufacture of the new cans permitted under the Jan. 1 amendment to Order M-81, the War Production Board reports.

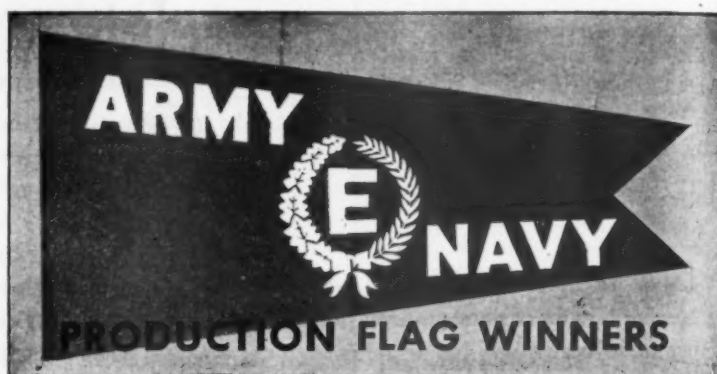
• **Butter**—By fixing the butter set-aside quota at 40% of production for April and at 55% of production for May, the War Food Administration is effecting a decrease in the amount of creamery butter which will be available to civilians amounting to

about 2,000,000 lb. for those two months as compared with the amount available during February and March.

• **Lamps**—Tungsten allotted to manufacturers of incandescent and fluorescent lamps for use in April is about 5% less than that allotted for use in March, while the copper available for this purpose in the second quarter of 1945 is 40% below first-quarter allotments.

### Tightened Restrictions

Rubber Order R-1 has been amended by WPB to complete the program of converting large truck and bus tubes from the use of natural rubber to synthetic rubber. Beginning Apr. 1, all 16.00 in. and 18.00 in. cross-section tubes must be made with syn-



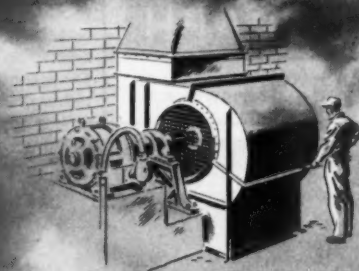
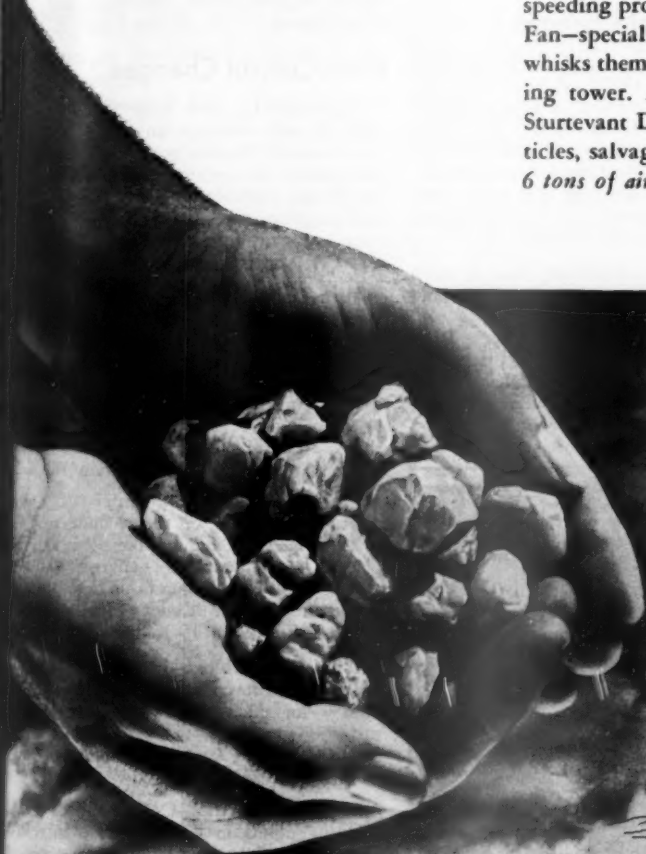
Acme Spinning Co. (Two plants)	Gulfport Boiler & Welding Works, Port Arthur, Tex.	National Fireworks, Inc. Mayfield, Ky.
Aerial Products, Inc. Merrick, N. Y.	Hertner Electric Co. Cleveland, Ohio	Otis Helium Plant Otis, Kan.
Araphoe Mfg. Co. Englewood, Colo.	O. Hommel Co. Carnegie, Pa.	Peerless Chain Co. Winona, Minn.
Artcraft Metal Products Co. Fall River, Mass.	Imperial Plating Co. Brooklyn, N. Y.	Peerless Electric Co. Warren, Ohio
Beaumont Electric Supply Co. Chicago, Ill.	Johnson Machine Works Chariton, Iowa	Rival Mfg. Co. (Three plants)
Besler Corp. Emeryville, Calif.	Kearney Pattern Works & Foundry, San Jose, Calif.	Roxalin Flexible Finishes, Inc. Elizabeth, N. J.
Bison Castings, Inc. Buffalo, N. Y.	Walter Kidde & Co., Inc. Belleville, N. J.	The Standard Products Co. St. Clair, Mich.
David Bogen Co., Inc. New York, N. Y.	Kinetic Mfg. Co. Cleveland, Ohio	The United States Finishing Co., Sterling, Conn.
Bromfield Mfg. Co., Inc. East Boston, Mass.	Letts Drop Forge, Inc. Detroit, Mich.	Walsh Construction Co. & J. Rich Steers, Inc. Jersey City, N. J.
Chicago Rivet & Machine Co. Bellwood, Ill.	McCormick Bros. Co. Albany, Ind.	Western Wood Products Co. Fort Smith, Ark.
Clayton & Lambert Mfg. Co. Detroit, Mich.	The Glenn L. Martin Co. Baltimore, Md.	Westinghouse Electric & Mfg. Co., Sunbury, Pa.
Cuffman Lumber Co., Arkadel- phia Box Co. Arkadelphia, Ark.	Midland Steel Products Co. Cleveland, Ohio	Whitehead & Kales Co. River Rouge, Mich.
Eaton Metal Products Co. Albuquerque, N. M.	Milwaukee Reliance Boiler Works, Milwaukee, Wis.	V. F. Zahodiakin Engineering Corp., Summit, N. J.
Executone, Inc. New York, N. Y.	Mississippi Valley Structural Steel Co., Melrose Park, Ill.	

(Names of winners of the Army-Navy and Maritime Commission awards for excellence in production announced prior to this new list will be found in previous issues of Business Week.)

# How Much *Air* To Make These Rocks "Fertile"?

**EVEN THE SOIL** is going through a war-time speed up—to produce more and better food for a war-torn world. Already, parts of Europe's overworked earth are growing crops faster, and with extra nutrients—thanks to wonder-working fertilizers. Outstanding among these soil-enrichers is superphosphate, extracted from Florida phosphate rock—with a helping hand from "Air at Work" all along the line. Lets see how it's done:—

Ground phosphate rock is transported cleanly, economically to the first process by the air route—a pneumatic conveyor. Meanwhile, acid to be mixed with the phosphate must first be diluted. That means intense heat—so giant Sturtevant Fans blow into the acid—cooling it and speeding production. Next, in a settling den, a Sturtevant Fan—specially protected to withstand the toxic gases—whisks them out of the plant air, sends them to a reclaiming tower. Again, in the final pulverizing operations, Sturtevant Dust Collectors clear the air of escaping particles, salvage them for shipment. All told, it takes over 6 tons of air for every ton of superphosphate produced.



Sturtevant Silentvane fan used in processing phosphate rock into fertilizer—a process developed by The Dorr Company of New York.



**Sturtevant**  
*Puts Air to Work*

**SPEEDING AND IMPROVING** your own production—even cutting costs—is the challenge of *engineered air* that you can't afford to overlook. Why not evaluate this powerful processing tool with the help of a Sturtevant Engineer. He is ready now to show your post-war planning committee how to ventilate, heat, air condition, convey, control dust and fumes, or burn fuel *more economically*.

**B. F. STURTEVANT COMPANY**  
Hyde Park Boston 36, Mass.





**REMEMBER?**

The Indian outside of grandfather's favorite cigar store marked tobacconists for centuries. Today, more than ever, the wooden Indian of your business, your trademark, is important. It attracts attention, establishes confidence, helps sales.

A Kaumagraph Product, with the automatic or manual touch of a hot iron, may mark your product with trademark or other identification, faster, better, cheaper, more attractively. Planning ahead is sensible, so why not send us a sample of your product to mark experimentally?



Identification Headquarters since 1902

**KAUMAGRAPH**

KAUMAGRAPH CO., 1319 POPLAR ST., WILMINGTON, DEL.  
NEW YORK OFFICE • EMPIRE STATE BUILDING, N. Y. 1

thetic instead of natural rubber. After May 1, the use of natural rubber is prohibited in 21.00 in., 24.00 in., 30.00 in., or 36.00 in. cross-section tubes. C-R-I (Butyl) will be available for use as a substitute.

Carbon black shortage (BW-Mar.17'45, p19) has led WPB to expand the list of items under R-1 in which less carbon black will be permitted, so as to channel it to essential tires, tubes, and rubber products. (Amendment 4, Rubber Order R-1.)

• **Antimony**—WPB has ordered a 90% slash in the small-order exemption to Order M-112. Consumers may now purchase only 224 lb. of antimony a month without allocation from WPB, as compared with a previous allowance of 2,240 lb.

### Ration Control Changes

Restrictions on new 1942 automobiles have been further tightened by an OPA action reducing the number of groups eligible for these cars from 26 to 8. The chief change is the elimination of home-to-work driving as a qualification for a new car. Groups ineligible for new cars under this amendment may qualify for used 1942 cars. (Amendment 18 to Ration Order 2B.)

• **Rationed Foods**—Beginning Apr. 1, most industrial users will get smaller allotments of all rationed foods. A cut in sugar quotas of 5% of base use is provided for such users except ice cream manufacturers and makers of preserves and jams. New factors are set up as a basis for quotas of processed foods, and allotments of fats and oils will be reduced for all uses except bakery and other

cereal products. Between Mar. 16 and June 15, physical inventories of rationed foods and ration buying power—checks, coupons, in excess of adequate working inventories will be taken up. Adequate working inventory for sugar and processed foods will be an average 60 days' supply; for meats—fat an average 30 days' supply; for new rationed meats-fats, a 15 days' supply.

• **Gasoline**—Extra gasoline rations will be issued to Victory gardeners again this year for travel to and from gardens. Conditions that a gardener must meet to qualify are about the same as last year's, with an additional provision that the garden must not be more than 15 miles from the gardener's home or work. Applications will be accepted by local boards beginning Mar. 26. (Amendment 179 to Ration Order 5C.)

### Price Control Changes

Manufacturers may now apply for individual price increases on additional items of consumers' durable goods under an OPA amendment. Items affected include electric hot plates, portable reed organs, parts (except electrical) for portable lamps, and residential lighting fixtures. (Amendment 25, Order A-2 under Regulation 188.)

• **High-Tenacity Rayon Yarn**—OPA has provided that manufacturers operating under WPB directions may apply for ceiling price increases to cover the higher cost of producing this yarn with converted or newly constructed equipment. Adjusted prices will be equal to the average cost of the applicant's production on such equipment. (Amendment 7, Regulation 167.)

• **Freight Loadings**—The Interstate Commerce Commission, on the recommendation of the Office of Defense Transportation, has placed heavy demurrage charges on the loading and unloading of boxcars by reinstating its Service Order 242, amended, in effect from Oct. 19 to Dec. 1, 1944.

• **Railroad Specialties**—Increase of 3% in ceiling prices for rigid and swivel yokes and of 8% for sideframes in the railway steel castings specialties class have been announced by OPA. (Amendment 14, Revised Price Schedule 41.)

• **Fresh Strawberries**—Ceiling prices f.o.b. shipping points in California are increased 3½¢ a pint, 7¢ a quart, and 4½¢ a pound during the period begun Mar. 16 and ending Apr. 20. This will mean an increase of about 4½¢ a pint to consumers in western markets where the California berries are sold. (Amendment 93, Regulation 426.)

• **Distilled Spirits and Wines**—OPA has established dollar-and-cents ceiling prices for processors' sales of packaged brandy, cordials, and liqueurs that were not sold during March, 1942, and for bulk domestic fruit brandy and bulk domestic grape brandy. Provision has also been made for processors to determine ceiling prices for March, 1942, brands of packaged brandy, cordials, and liqueurs that have been changed in proof or formula. Except on the bulk domestic grape brandy, consumers' prices will remain unchanged. (Amendment 23, Regulation 445.)

**BOONS TO THE BRAINS OF A NATION**

**R. C. Allen**  
BUSINESS  
MACHINES



CONTINUOUS, DEPENDABLE SERVICE under severest operating conditions keynote the design and manufacture of each R. C. Allen machine. Visible dials, automatic clear signals, easy keyboard action and swift, accurate operation are but a few of the outstanding characteristics of R. C. Allen—the preferred business machine.

**R.C. Allen Business Machines**

ALLEN CALCULATORS, INCORPORATED  
678 FRONT AVE., N. W. GRAND RAPIDS 4, MICHIGAN

Makers of World Renowned Business Machines

When final victory releases capacities now devoted to war production, Allen's entire resources will resume the manufacture of 10-Key Calculators, Portable and Standard Adding Machines, Bookkeeping Machines, Cash Registers, Statement Machines and All-Purpose Office Machines, electric or hand operated.

# MARKETING

## FTC Curb Asked

Reece amendment would provide for judicial review of commission orders and limit the penalties for violations.

Legislation to curb the Federal Trade Commission's authority has been introduced in Congress by Rep. B. Carroll Reece of Tennessee, a specialist in FTC procedure.

**Hasn't Changed His Mind**—Reece's bill, H. R. 2390, would amend the Wheeler-Lea act which vests in FTC control over food, drug, and cosmetic advertising rather than in the Food & Drug Administration which has jurisdiction over labeling. Reece, who played an important role back in 1938 in engineering this famous split, has not changed his mind about keeping ad control under the trade commission, but his new bill is designed to call a halt to exercise by FTC of indirect control over labeling of food and drugs through administrative interpretation.

It looks like an answer to the prayer of proprietary drug interests, as the bill would satisfy virtually all objections which drug companies have expressed about FTC procedure.

**Deprived of Power?**—The Reece bill is attracting particular interest because recent Supreme Court decisions have had the effect of depriving the courts of power to modify orders of the Federal Trade Commission as well as of other federal administrative agencies.

Such Supreme Court decisions have not directly related to FTC cases, but their application to FTC orders is demonstrated in a case cited by Reece in support of his bill.

It was a case in which the commission banned the trademark "Alpacuna" for overcoats because the alpaca-wool-cotton fabric contains no vicuna fiber.

**Precedents Cited**—The circuit court regarded the order as "far too harsh" for "an infraction that could be cured by simple qualifying language" if the court were at liberty to follow old judicial precedents in Federal Trade Commission cases. The court pointed out that since then, however, there have been several opinions from the Supreme Court concerning remedies prescribed by the National Labor Relations Board in which the court held that "the findings of the board, as with those of other administrative agencies, are conclusive

upon reviewing courts when supported by evidence."

• **Three Major Aims**—According to Reece, his bill to amend the Wheeler-Lea act has three main objectives:

(1) To afford effective judicial review of the commission's cease-and-desist orders.

(2) To limit the aggregate amount of penalties which may be assessed for a single violation of commission orders.

(3) To avoid conflict with the federal food, drug, and cosmetic act by defining more clearly the commission's jurisdiction as to foods, drugs, devices, and cosmetics.

• **Would Revise Penalties**—Under the first heading, the bill would give the circuit court specific power to modify any cease-and-desist order as, in its judgment, the circumstances require. An FTC order could be sustained only if

the court finds that it is based on the "preponderance of the evidence" instead of merely "evidence" as at present.

The new penalty section of the law would put a limit of \$1,000 on each offense, with a maximum fine of \$10,000 for violation of an order once it has become final. At present the penalty is up to \$5,000 for each offense, and because each publication of an ad is a separate offense the sky is the limit—technically at least.

• **Dual Jurisdiction**—Under the third heading, the bill defines "labeling" as in the food, drug, and cosmetic act and provides specifically that foods, drugs, devices, and cosmetics "shall be exempt from the provisions of this act to the extent of the application or the extension thereto of the federal food, drug, and cosmetic act." This is intended as a solution to problems of dual jurisdiction by two agencies, highlighted by recent court decisions which stop the Food & Drug Administration from seizing products for label violations where similar statements in ad-

## Meat Cut Doesn't Worry Food Locker Patrons

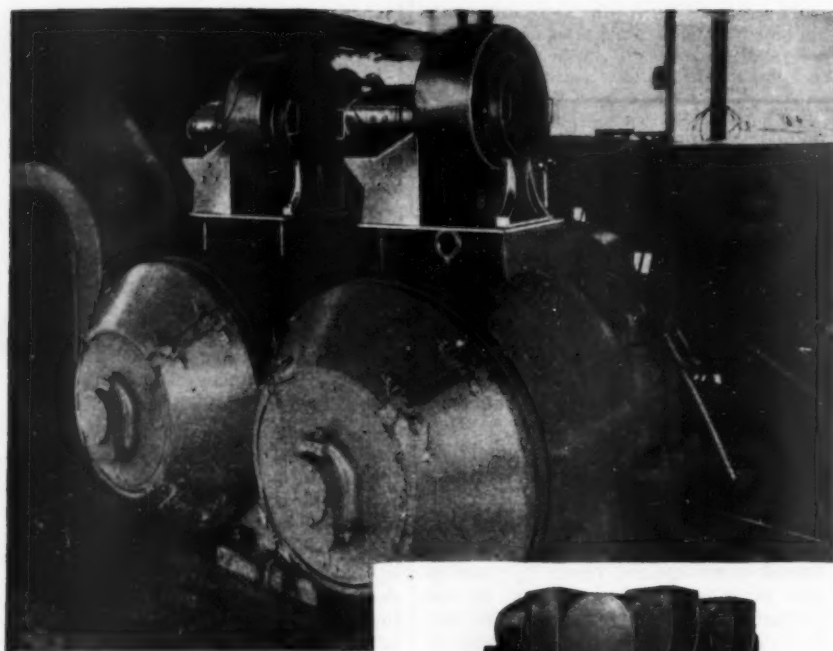
News of a 12% cut in the nation's meat supply (page 9) prompted the public to lend ready ears this week to tales of 200,000,000 lb. of meat cached in the nation's 2,250,000 frozen food lockers. The National Frozen Food Locker Assn. concedes that this estimate is not far off the mark but, to counter rumors that most of it is black market, mildly points out that (1) 80% of all locker patrons are farmers, and 75% of the country's 5,682 plants are in towns of less than 5,000; (2) farmers traditionally slaughter their meat animals early in the spring before spring planting time, hence the present glut is a seasonal maximum representing six to eight months' supply; (3) locker operators' responsibility cannot go beyond accepting a patron's word that the meat he brings for processing and storage is his own, or was legally acquired.

• **5,000 New Plants**—Total postwar expansion of the food locker industry, according to association estimates, will amount to 5,000 new plants within five years after the war. Typical of the kind of facility the industry's planners visualize is the Ullery cold storage locker plant in South Bend, Ind. (right). The owner, Howard Ullery, claims this 4,000 locker unit is the world's largest. He has a second unit of

2,200 lockers in Elkhart, Ind., and plans to build a third in a nearby Indiana town after the war.

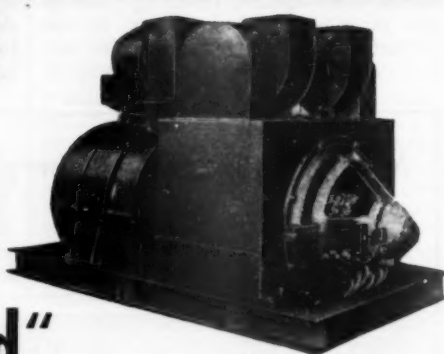
Progressive operators like Ullery are thinking in terms of group buying of commercially frozen foods as a possible postwar promotion activity. For example, several neighboring locker plants might jointly buy an entire carload of cherries grown in Michigan and frozen at a plant near the orchard. From a central rail point each cooperator would truck his share to his own plant for resale to locker patrons.





**ABOVE:** Westinghouse Twin Drawworks Motors set up for a deep test oil well. Buffalo Fans driven by explosion-proof motors supply forced ventilation to these 350 hp. motors.

**RIGHT:** General-Electric Variable-Frequency Converter Set consisting of 850 hp. DC Motor and Type MM Converter. Three Buffalo "LL" Fans on each unit supply ventilation.



## "Second Wind"

from *Buffalo* **FANS**

● The illustrations above are typical examples of American ingenuity in getting the most work, with safety, from electrical and mechanical equipment.

Strenuous conditions under which such equipment operates call for a dependable air supply... so Buffalo Fans were chosen.

Many manufacturers of process equipment, special washers, dryers and ovens of various types have standardized on Buffalo Fans; thus assuring their customers of efficient reliable air supply at all times.

If you have an air-moving or conditioning problem ask our engineers to make recommendations. With the broad Buffalo line from which to choose, you are certain to get an excellent selection.

### BUFFALO FORGE COMPANY

458 BROADWAY, BUFFALO, N. Y.

Canadian Blower & Forge Co., Ltd., Kitchener, Ont.



## FANS for INDUSTRY

vertising have already been the subject of an FTC order (BW—Oct. 21 '44, p. 5).

Another important effect of the Reece bill would be to prohibit the FTC from requiring medicine manufacturers to carry warnings in their ads that are as strong or stronger than the warnings which FDA requires on labels, unless such advertisements contain affirmative statements which should need to be qualified by warning statements.

● "Squeeze Play"—Hundreds of FTC orders and stipulations have been based on its power to require warnings, and it is charged that FTC, working jointly with FDA, has used this power in a "squeeze play" whereby manufacturers were compelled to put warnings on their labels as an alternative to putting them in their ads.

### GRADE LABELING BLASTED

Last week the National Publishers Assn. of New York, representing 310 principal magazine publishers, came forth with one of the most astute and thoroughly documented of all assaults on A-B-C grade labeling. N.P.A.'s study, which is being mailed to congressmen and advertisers, also constituted an expert defense of the descriptive labeling system devised by canners.

Titled "Grade Labeling and the Consumer," N.P.A.'s brochure presents the arguments on behalf of government A-B-C grades for consumer goods in a manner surprisingly unemotional for an organization which has opposed grade labeling more bitterly than the canners themselves have. The study is well-documented with copious quotations from the proponents of grade labeling, particularly from Donald E. Montgomery, formerly Consumers' Counsel in the Dept. of Agriculture and who now carries the banner for grades as counsel for the United Auto Workers (BW—Oct. 28 '44, p. 51).

But after this thorough review of the record, N.P.A., which has an obvious interest in protecting brand advertising against the threat of compulsory grade labels, comes to the foregone conclusion that an A-B-C grading system in any field would undermine the economic forces of production and distribution and eventually destroy our democratic, free enterprise system.

The whole campaign to sell A-B-C grade labeling to the public, according to N.P.A., is based on misrepresentation of its nature and of its apparent simplicity and exaggeration of the need for it. Mandatory A-B-C grade labeling would lead to devaluation of brands and dislocation of distributive systems—increasing not decreasing consumer confusion, and unstabilizing values, N.P.A. concludes.



# 10 types of prints instead of 1

when you use OZALID

- |                       |                            |
|-----------------------|----------------------------|
| 1. Black-Line         | 6. Transblack Intermediate |
| 2. Blue-Line          | 7. Transparent Cloth       |
| 3. Red-Line           | 8. Transparent Foil        |
| 4. Dryphoto           | 9. Opaque Cloth            |
| 5. Sepia-Intermediate | 10. Chartfilm              |



Ten Types of Prints . . . and no end to the uses you'll find for them in the drafting room . . . and in departments where you never thought of using prints before.

OZALID offers this versatility because it is a uniquely different process requiring

only two steps—Exposure and Dry Development—to reproduce your engineering drawings or other originals.

These two steps are performed in as little as 17 seconds by an OZALID WHITE-PRINT MACHINE and if you have a satis-

factory printer you need only add an OZALID DRY DEVELOPER to make all ten types of prints.

It's inexpensive to adopt OZALID . . . and you count improvements right away in economy, speed and versatility.

## 10 instead of 1 means increased versatility for all departments



**In the Drafting Room,** OZALID prints are always easier to read, check and make notations on. And when changes in design are necessary, OZALID intermediates (transparent prints) of original drawings save valuable time. A) Obsolete lines are quickly removed with OZALID CORRECTOR FLUID. B) NEW DESIGN is drawn in. C) OZALID INTERMEDIATE is used to produce desired number of "work prints."



**In the Shop,** efficiency is increased by assigning identifying colors to prints of different operations—distinguishing checked from unchecked prints, etc. OZALID OPAQUE CLOTH is used when exceptionally durable prints are desired, and OZALID CHARTFILM, which can be readily cleaned and requires no protective covering, is used for instrument panels, wiring diagrams, etc.



**In the Office,** anything drawn, typed, printed or photographed on translucent material can be reproduced in seconds with OZALID.

For example: The Prudential Life Insurance Company of America uses OZALID to reproduce applications for Industrial Insurance; Pratt Institute—to copy student records; Alpha Music—to reproduce arrangements for CBS and other radio programs.

# OZALID



See All 10 Types of Ozalid Prints and Learn the Whole Story. Write for Free Catalogue today.

DIVISION OF GENERAL ANILINE AND FILM CORPORATION • JOHNSON CITY, N. Y.

OZALID IN CANADA—HUGHES-OWENS CO., LTD., MONTREAL



## What costs less today than 20 years ago?

**I**N spite of higher wages, increased taxes, and greater costs for all the 1001 materials that go to make a railroad, freight costs to the public are actually lower today than they were 20 years ago. So low, that in 1944 a *ton of freight* was carried at an average cost of *less than one cent* a mile.

How possible? Simply by constant improvement in

operating methods, continued research and development of new equipment, and the earnest cooperation of all railroad men and women.

Better and better transportation is the continuing aim of the Erie and other Railroads. For, low cost, mass transportation is an essential link in bringing the good things of American life into every home.

Buy War Bonds and Stamps



## Erie Railroad

ONE OF AMERICA'S RAILROADS—ALL UNITED FOR VICTORY



## Sleep-Pill Problem

Uniform state action will be needed against barbiturates in spite of pending change in U. S. law, officials say.

Enactment of legislation already passed by the House will automatically give the Treasury's Narcotics Bureau control over all new drugs having addiction-forming or addiction-sustaining characteristics like morphine or cocaine.

• **Special Acts Now Required**—At present, control can only be established over new drugs of this character by act of Congress every time one is brought on the market. The most recent instance was passage, last fall, of a bill putting isonipecaïne (Winthrop's "Demerol") under Treasury control.

Rep. A. Willis Robertson of Virginia, sponsor of the omnibus bill, told the House that the Narcotics Bureau fears that a number of new synthetic habit-forming drugs are likely to be introduced during and after the war. A Ways & Means Committee report on the Robertson bill mentions a new compound being brought out by a German firm which is similar in action to isonipecaïne.

• **Another Problem**—When the Robertson bill was introduced on Mar. 6, some federal officials thought it was the answer to a growing problem of addiction to the use of "sleeping pills" containing barbituric acid. The Narcotics Bureau does not feel, however, that the new definition of an "opiate" in the bill would cover drugs not having an effect similar to morphine or cocaine, even though they may be habit-forming. At the same time, the bureau does not hesitate to express grave concern over widespread addiction to barbiturates.

The ramifications of the sleeping pill problem recently have been aired in court with criminal prosecution of a Waco (Tex.) druggist in a case brought by the Food & Drug Administration.

• **Barbiturate Drunks**—The Waco pharmacist had no prescriptions to account for sales of more than 45,000 pills which the underworld has nicknamed "goof balls." (Other names are "yellow jackets" for yellow capsules like Abbott's "Nembutol," and "red birds" for Lilly's "Seconal," packed in red capsules.) Trial of the case revealed that there were at least 60 known barbiturate drunks who were spending time in the Waco jail.

Illegal sales by this one druggist, Otis Fadal, were calculated to have netted him a \$1,600 profit while the city spent approximately \$10,000 in the same



## "IT'S LIKE GETTING MARRIED!"

**T**HERE'S really no thrill quite like getting married. But once you *are* married, there's no thrill quite like having a home that suits your family right down to the ground. It's something to look forward to. That's the home the building industry is planning for you—designed and built for the modern family and a life of increased leisure and comfort.

Whether you build, buy or remodel, one thing is sure, your home will be better, more comfortable, more livable if Gold Bond products are used wherever possible.

New high efficiency Gold Bond Rock Wool Insulation will enable you to "make your own weather" the year 'round with savings up to 1/3 in heating bills. Whatever the exterior finish, fireproof Gold Bond Gypsum Sheathing underneath will help to make your home fire-safe. The Gold Bond Floating Wall System helps to keep plaster interiors permanently beautiful and repair-free. These are just a few of the 152 Gold Bond Building Products for

better post-war construction. Every one of them is researched, manufactured and guaranteed under the well-known name... Gold Bond.

Just one word of advice. When you get to the planning stage, go to the building experts in your community...the architect, the contractor, the Gold Bond Dealer. They can show you the best way to plan, the best materials to use. And when they suggest Gold Bond, you'll be getting the best! National Gypsum Company, Buffalo 2, N. Y.

### **BUILD BETTER WITH GOLD BOND**

Wallboard... Lath... Plaster... Lime... Metal Products  
Wall Paint... Insulation... Sound Control





## Army's Portable Optical Units Use Torrington Needle Bearings

Mobile field equipment is designed for performance and efficiency... must also be compact, light in weight, and serviceable under rugged field conditions. That's why the Bausch & Lomb Automatic Cylinder Surfacing Machines used by the Army's mobile optical service units are equipped with efficient, anti-friction Torrington Needle Bearings.

Torrington Needle Bearings have long helped achieve such quality for hundreds of different products. Light weight and compact, but built for high load capacity, ease of lubrication and long, trouble-free life, these modern anti-friction units do their job smoothly, at low cost, and without fuss or bother.

Can they do such a job for your product, present or future? A Torrington engineer will gladly consult with you, at no obligation. Or, if you prefer, send for our Catalog No. 30-A. It's packed with information on types, sizes, and numerous applications for various industries—including, probably, yours. Send for your copy today.

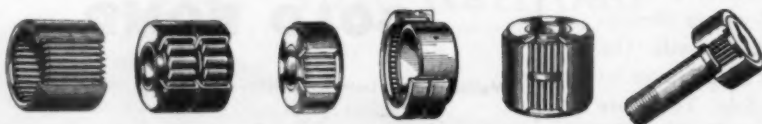
### THE TORRINGTON COMPANY

Established 1866 • TORRINGTON, CONN. • SOUTH BEND 21, IND.

New York Boston Philadelphia Detroit Cleveland Seattle  
San Francisco Chicago Los Angeles Toronto London, England



## TORRINGTON NEEDLE BEARINGS



### Closing on V-E Day?

Retailers for the most part are remaining quiet about any plans which they may have for shutting up shop on V-E Day to avert economic loss.

Last summer indications were that a unified policy, under sponsorship of various national associations, might emerge to forestall the absenteeism, breakage, theft, and general chaos that characterize a victory celebration (BW—Aug. 5 '44, p. 87). Operating against a unified program has been adverse public sentiment which greeted announcement of the intended closing in some localities. Opposition was expressed to having a holiday over the winning of one war while another war remained to be won.

• Current view of the National Retail Dry Goods Assn. is that merchants should de-emphasize the holiday aspect as much as possible and quietly go ahead with their own plans. According to George L. Plant, manager of N.R.D.G.A.'s store management and personnel groups, the realistic expectation is that many stores will have to close anyway, from sheer inability to operate, on the day of German surrender, and perhaps on the following day, too.

period taking care of addicts. On Mar. 1, Fadal was fined \$600 and received a suspended jail sentence of six months.

• State Action Advocated—Federal officials who have studied the drug addiction problem are inclined to feel that curbing illegal sales by druggists and by nonlicensed outlets requires passage and enforcement of uniform, adequate state and local laws. Policing of close to 60,000 drug stores is too much of a job for the FDA inspection force. Narcotics Bureau control relies on an extensive record-keeping system, and would have to be greatly expanded to take jurisdiction over such widely used drugs as the barbiturates. Retail drug trade interests, however, are reported to be opposed to such legislation as the uniform State Food, Drug & Cosmetic Act, patterned after the federal law, which officials believe is necessary.

• 7,000,000 Doses a Day—Twelve states have passed the "uniform" act since the federal law was modernized in 1938. During that time, sales of barbituric acid preparations have trebled, now amounting to nearly 7,000,000 doses per day. It is said that 60% of the pills are sold without prescriptions and that, in some

localities, a third of all prescriptions written call for them.

Officials say that refilling of prescriptions is one of the principal abuses responsible for addiction. Another evil is sale by unlicensed outlets, including news stands, taverns, and taxi drivers.

**In the Headlines**—The barbiturates, recognized as among the most useful drugs in the hands of physicians today, have also been frequently mentioned in the headlines as a cause of suicide or accidental death. Motion picture actress Lupe Velez was one casualty to overdose.

New York City records show five times as many deaths from this cause in 1944 as in 1937.

### NEW WAY TO SELL BOOKS

Pocket Books, Inc., doesn't intend to miss a trick when it comes to boosting postwar sales.

Starting Apr. 9 the reprint publisher will test the sale of its 25¢ books through the schoolboys who sell Liberty magazine in Canada. Toronto and Winnipeg, the two prime producers of Pocket Book sales in the Dominion, have been selected as locales for the twelve-week experiment, with "Jalna" by Mazo de la Roche, and the Pocket Cookbook as the first door-to-door offers.

The deal with Liberty, which claims the largest circulation—200,000—of any weekly magazine in Canada, is signed and sealed. Schoolboys account for about half Liberty's Canadian sales.

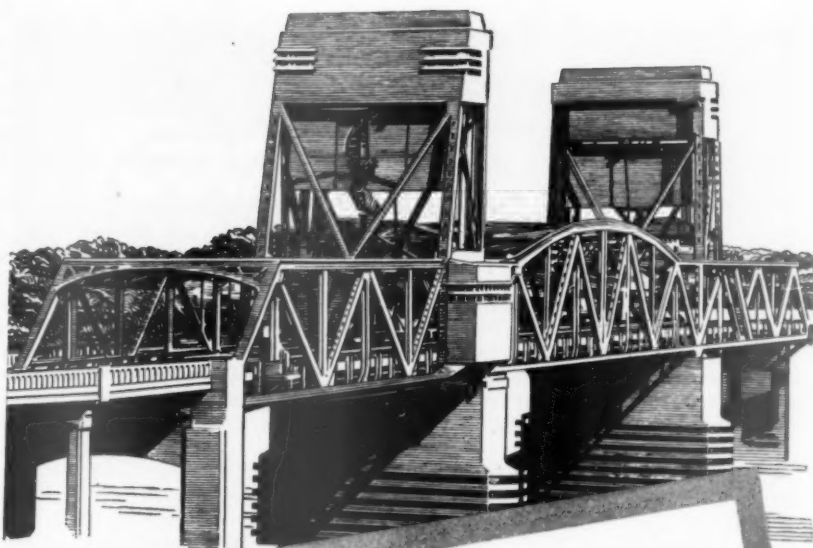
Wallis E. Howe, Jr., vice-president of Pocket Books, says that his company is trying every possible way to provide good reading at low cost and that's why it is trying the Liberty plan. If it works in Canada, it may be tried in the United States after the war when the world and paper are free again, he said.

### MORE NEWS, FEWER PLUGS

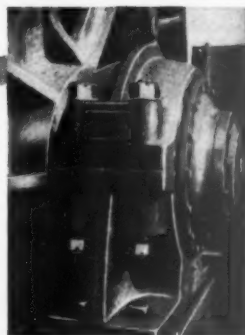
Radio broadcasters are more concerned than they profess to be over the still smoldering campaign against middle commercials in news broadcasts, as well as over the general plaint against unrestricted radio advertising (BW—Feb. 24'45, p82).

Evidence was seen this week when the National Broadcasting Co. announced a new policy eliminating interruptions in the middle of news broadcasts.

This new policy goes into effect immediately on both network and local programs. Hereafter sponsors of 15-minute news periods must spot their commercials within the first two minutes and the last three minutes of the program.



## 700-TON BRIDGE LIFTS ON TORRINGTON BEARINGS



The Lewiston-Clarkston Bridge spans the historic Snake River to link the states of Washington and Idaho. Completed in 1939, the bridge consists, in part, of a vertical lift span 200 feet long, with a total weight of over 700 tons. For each of the four lift-sheaves, Torrington's Bantam Bearings Division designed and built two Radial Roller Bearings and a Thrust Roller Bearing to carry the heavy loads imposed by the lifting of the bridge span.

Today you will find Torrington Bearings fulfilling their anti-friction mission for many such engineering projects throughout the nation...contributing to peak performance of many different kinds of industrial machinery and equipment...aiding steel mills, foundries and other war-vital producers of armament and matériel to achieve maximum production. When next you have an unusual bearing problem, consult Torrington's Bantam Bearings Division.

THE TORRINGTON COMPANY • BANTAM BEARINGS DIVISION  
SOUTH BEND 21, INDIANA

# TORRINGTON BEARINGS

STRAIGHT ROLLER • TAPERED ROLLER  
NEEDLE • BALL

# Hollywood Digs In

Moving picture industry doesn't welcome television, but lays plans to service theaters with live and filmed programs.

Long accustomed to bare knuckle fisticuffs, the motion picture industry is squaring off with radio broadcasting for a fight to the finish over television. Movie men are frank to admit they don't want the new video art, but because it's coming anyway they intend to capitalize on it and are fast pulling their heads out of the sand to take a good look around. Certainly they don't intend to let radio broadcasters reach into the movie industry's big-money pockets without a struggle.

• **Paramount's Interest**—Here's what some of the movie men are doing about it:

Paramount Pictures, Inc., already has a nationwide stake in television through its interest in three U. S. concerns. Paul Raibourn, director of Paramount's television activities and president of its subsidiary, Television Productions, Inc., also is treasurer and director of Allen B. DuMont Laboratories, Inc. (television researchers and equipment manufacturers), in which Paramount owns 49% of the common stock. Additionally he is a member of the board of directors of Scophony Corp. of America (United States counterpart of the prewar British theater television company) on which he represents Paramount's one-sixth interest in Scophony's potentially valuable patents covering projection of large-sized television images on theater screens.

Presaging a hookup of theater television stations, Television Productions, which already operates stations W6XYZ and W6XLA in Los Angeles, has applied to the Federal Communications Commission for two nationwide experimental relay networks. If FCC approves, Television Productions, plans to test the feasibility of a relay service which would bring major news and special events to motion picture theater audiences as they occur—and at a price that will assure a profit to both producer and exhibitor.

• **Fox in Scophony**—Twentieth Century-Fox Film Corp., through General Precision Equipment Corp. (which owns a block of 11% of Fox common), also has an indirect interest in Scophony. The close ties are indicated by the fact that Earle G. Hines, president of General Precision Equipment, is a director of Scophony, and that three Fox directors are also on the Scophony board.

In addition Fox probably will file for a television channel preparatory to going into the broadcasting business. The Fox subsidiary, National Theaters, headed by Charles P. Skouras, recently set up a television department with the intention of keeping a weather eye on television.

• **A Dual Program**—R-K-O Television Corp., under the direction of Ralph B. Austrian (BW—Jun. 17'44, p90), is concentrating on the production of video programs with both live talent and films, and—ready to work both sides of the television street—is preparing for the production and distribution of sponsored films to be used on the regular commercial television programs aired by the radio broadcasters.

While R-K-O does not now contemplate operating a telecasting station, with its attendant worries over equipment obsolescence and union relations,

the company is unquestionably well prepared to carry out the plans, announced by Austrian when he took office last summer, for establishing a theater television service (when, as, and if satisfactory equipment is available) and supplying exhibitors both with spot news productions and entertainment features, whenever the competitive threat of the broadcasting industry makes such a setup feasible.

• **Link to Warner Bros.**—Newest bid for television business comes from Cine Television Studios in New York, which is financially backed, as a partner, by Doris Warner Leroy, daughter of Harry R. Warner of Warner Bros. Pictures Inc.

Cine-Television is producing both minute and feature-length films for experimental television programs, and is offering services as consultant and production supervisor in film television.



## IS YOU IS OR IS YOU AIN'T?

Is Persian lamb still Persian lamb if the fur hails from Russia, Afghanistan, or Southwest Africa—and not from Persia? That question (BW—Feb. 3'45, p86) is the crux of the case that the Federal Trade Commission is pressing in New York against the Tailored Woman, Manhattan specialty shop. But the outcome may hang on the answer to another question: What difference does it make whether it's Persian Persian or Russian Persian? Max Bachrach, FTC fur consultant, says there is a difference and he can spot it. James Spitzer (second from left), defendant's attorney, and Norman Schwartz (seated on desk), the store's fur buyer, set a trap by bringing in ten coats and nine skins for Bachrach to try his skill. DeWitt Puckett (left) and Barnett Warner (third from left), FTC attorneys, fought the test on the grounds of protecting the credibility of witness Bachrach. The trial examiner brought down the first act curtain of the legal drama by handing Puckett an unfavorable ruling. Puckett appealed to the full commission in Washington for a review of the ruling.



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grams and sponsored films (BW—  
v.11'44,p95). Production of film  
vision for national syndication has  
en announced as an eventual goal.  
More directly, Warner Bros. has in-  
tated it is television-minded by buying  
7-acre tract near Hollywood for the  
ection of a television studio and trans-  
mitter. Permission to erect a commer-  
ial television station was granted the  
company several months ago.

In his recent annual report, Walt  
Disney wrote that his company has  
been doing a lot of thinking about  
television (BW—Feb.10'45,p72). To as-  
ure Disney productions an important  
place in television, he said "our pro-  
gram . . . will be based on the same  
approach which has brought us success  
in the motion picture world—good qual-  
ity entertainment."

**M.G.-M. Seeks Stations**—As its hedge  
against eventualities, Metro-Goldwyn-  
Mayer (Loew's, Inc.) has filed applica-  
tions with the FCC which, if approved,  
would provide four telecasting stations  
in Los Angeles, Chicago, Washington,  
and New York. In addition, M.G.-M. is  
said to be hiring radio writers and pro-  
ducers on two-year contracts as part of a  
plan to develop a technique for short-  
film productions for telecasting by for-  
mer broadcast hands.

Columbia Pictures Corp., United Art-  
ists Corp., and Universal still are on  
the list of film concerns which haven't  
made up their minds about the compe-  
tition of television, but if the present  
trend in Hollywood is significant, these,  
and others, won't delay much longer  
in making some action.

**Unions Lay Plans**—Thinking about  
television is not limited to the movie  
producers. The radio and film guilds and  
unions in Hollywood have announced  
sponsorship of a project to prepare their  
6,000 members for roles in peacetime  
televising.

Many thousands of movie and radio  
players, photographers, writers, editors,  
directors, cartoonists, set designers, and  
costumers have applied for the tryouts,  
according to union spokesmen. Com-  
plete shows will be staged under actual  
television production conditions—with-  
out the transmission equipment and  
with the union paying all expenses.

**Big-Money Days Ahead**—No matter  
whether television ultimately gets its  
biggest play in home radio receivers or  
on the theater screen, Hollywood—with  
its virtual talent monopoly and its pro-  
gramming know-how—figures that it has  
a big future on the ether waves.

Its steadily growing prominence as a  
source of today's standard radio pro-  
grams—a prominence achieved at the  
expense of New York—is only a small  
harbinger of the big-money days which  
the advent of television heralds.

## WHERE *TOXIC GASES* ARE POTENTIAL SAFETY HAZARDS



M.S.A. Hand-operated Carbon Monoxide Indicator for on-job service.



M.S.A. Hydrogen Sulphide Detector—hand-operated, rapid, compact.



M.S.A. Benzol Indicator—supersensitive; portable; easy-reading dial.



M.S.A. Carbon Monoxide Alarm—instant danger warning; continuous operation.

**KNOW THE FACTS  
WITH M.S.A.  
GAS DETECTING INSTRUMENTS**

Where carbon monoxide, benzol, hydrogen sulphide or other poisonous gases are possible dangers to health in your operations, keep informed with these accurate, hazard-measuring M.S.A. instruments! Precise, dependable, easy to use—write for detailed Bulletins.



**MINE SAFETY APPLIANCES CO.**

BRADDOCK, THOMAS AND MEADE STREETS

PITTSBURGH 8, PA.

## YOUNG MEN! IS THIS YOUR Post War Opportunity?

Produc-Trol — the Wassell Organization — a young healthy organization, has shown the fastest growth in sales volume, top management prestige, advertising, sales promotion, and training of field men in the history of office appliances. We have several opportunities available for both Distributors and Representatives. Men with selling experience and knowledge of business procedures or either one backed by an ambition for high earnings and growth with a young organization should write:

Personnel

**Westport WASELL  
Connecticut ORGANIZATION**



American industry must apply the same "all-out" war efforts to peace-time production to insure prosperity and happiness for our returning service men and the home front industrial workers who together have made victory possible.

**LAVELLE AIRCRAFT CORPORATION**  
NEWTOWN, Bucks County, PENNA.



You can rely on this  
**Oster Blower Motor**

to operate dependably in marine, aircraft, electronic, and similar applications . . .

In planning your post-war product it is well to remember the design and operating advantages of this Oster blower motor. Although it has been especially designed for use in the marine, aircraft, and electronic fields, it may have qualities that fit your particular product.

Let us help you fit this and other Oster Motors to your requirements.

**John Oster Mfg. Co.**

DEPT. B-24 RACINE, WISCONSIN

## LABOR

### NWLB Shortcut

Industry-wide panel system suspended in effort to expedite cases. Minor issues barred to reduce board's calendar.

National War Labor Board members, laboring 20 weeks behind on a logjam of more than 3,000 cases, are planning to cut corners in a determined effort to reduce time necessary for handling disputes—thereby removing one of the principal arguments which unions raise against NWLB, that of its slowness in resolving labor controversies.

• **Speedup Tested**—First steps in this speedup campaign came in the form of (1) a decision to abandon a scheduled panel hearing in a rubber wage dispute, in order to permit arguments to be held directly before NWLB, and (2) refusal to take jurisdiction in a dispute in which NWLB charges that the parties have

not discharged their obligation to bargain collectively.

Abandonment of the industry-wide panel hearing is experimental. Hoped for speedier decision is reached by direct NWLB action in the case involving 140,000 members of the United Rubber Workers of America (C.I.O.) and 40 rubber companies, then NWLB has indicated it will follow the new policy in all future cases.

• **Extra Hearings Dropped**—Ordinary issues in the dispute—union demands for a 10¢ night shift differential, more liberal vacation pay, and paid lunch periods—would be argued before an industry-wide panel.

The panel would make recommendations to NWLB, and the board either would order them into effect—as done in recent telephone industry cases (BW—Mar.10'45,p106)—or set another public hearing at which panel proposals would be argued. In the past the latter procedure has been customary.

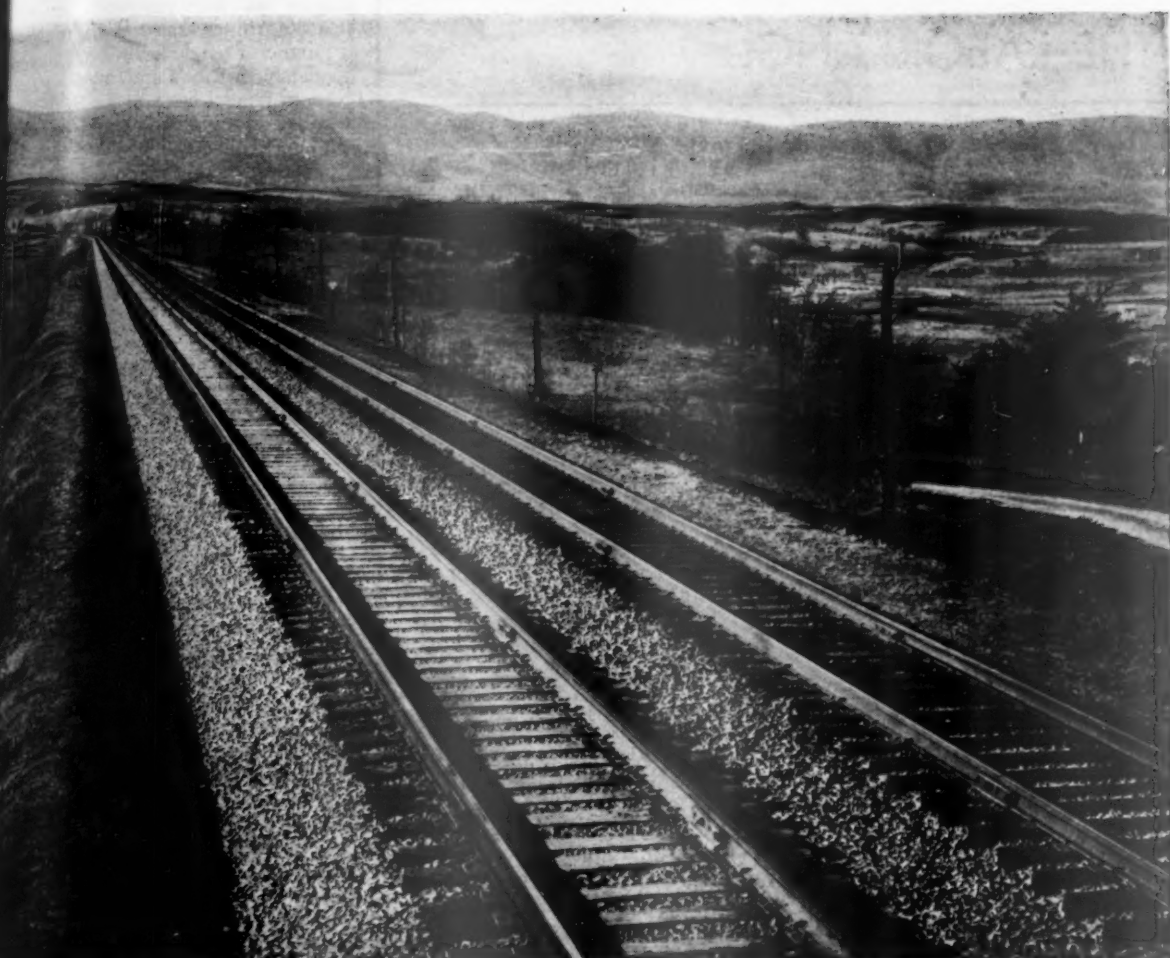
• **Minor Issues Refused**—The second step toward speedier NWLB action



### "SHIFTEES" SHIFT WITH CANDY GIFTS

Tapped by the War Manpower Commission for war-essential jobs, a contingent of workers leaves Philadelphia's Whitman candy factory—carrying parting gifts from the boss: big boxes of chocolates. The "shiftees" are en route to a government employment office which will place them in high-priority industries. Philadelphia, latest area to fall under WMC's spot labor drafts (BW—Mar.17'45,p94), is shy 25,000 war workers. About half of this number are to be obtained from 1,254 employers rated in the low brackets of essentiality.

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## **WORLD'S BUSIEST HIGHWAY**

Over such highways—230,000 miles of them—more freight and passengers are moving today than ever moved before anywhere on earth by any means of transport. • In 1944, the railroads hauled nearly three times as much inter-city freight, and nine times as much war freight, as all other carriers combined. • That is one of the great lessons to come out of the war—what modern American railroads can do. • And one of the things to remember after the war is won is that in peacetime, too, America needs and must have the kind of transportation which only its railroads can deliver.

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**AMERICAN**  **RAILROADS**  
*All United for Victory*



# THE LABOR ANGLE

## Prize

If the New York conviction of Joseph Fay and James Bove on charges of extortion and conspiracy means that these two A.F.L. officials will be out of the labor picture, the consequences will be far-reaching.

Fay and Bove carry the nominal titles of vice-president of the International Operating Engineers and of the International Hod Carriers, Building & Common Laborers Union, respectively. But they are more properly identified as the most powerful and predatory team in construction labor. Working together they have built—through strong-arm methods, intimidation, and corruption—one of the most profitable empires in the American labor movement. Their ruthless determination has been an important factor in keeping A.F.L.'s Building Trades Dept. a solid phalanx occupying a monopoly position in the heart of the vital construction industry.

If Fay and Bove are put away, succession to their power will be the ambition of an assortment of union bosses large and small. The C.I.O.'s United Mine, Mill & Smelter Workers, which competed with the Fay-Bove machine in bridge-building and tunnel jobs, will be back on the scene. John L. Lewis' United Construction Workers will jump into the arena. And at least six other important minor czars in the A.F.L. will make a bid for control.

All in all, the removal of Fay and Bove from leadership of the pistol-packing coterie which kept stable a section of the construction industry may result in as bitter a struggle for power and as violent a jurisdictional battle as the labor front has witnessed in a long time.

## Service

Clearer example in years of how the narrow job interests of a union make a mockery of the announced social objectives of organized labor is provided by C.I.O.'s United Office & Professional Workers. This union has blocked C.I.O. support for a bill before the New York state legislature designed to raise from \$3,000 to \$7,500 the amount of life insurance that savings banks may sell.

Savings bank life insurance is an

old and hallowed liberal-labor crusade, started in Massachusetts by the late Justice Louis Brandeis. It provides small policies to workers at lower cost than can be provided by so-called industrial life insurance policies on which debit men collect a dime or a quarter a week from policyholders in their homes.

The New York banks say they can cut the cost of small policies even more if they can write insurance up to \$7,500 for people who can afford that much. A committee of New York bankers and liberals, led by the late Justice Brandeis' daughter, Susan, started a campaign to raise the limit and took it for granted that they would have C.I.O. support. They were sure the only opposition they had to worry about at Albany would come from the insurance interests, and this didn't figure to be too effective.

The committee has run smack into a stone wall, however. The white-collar U.O.P.W., bargaining representative of some John Hancock, Metropolitan, and Prudential agents, has blocked C.I.O. indorsement.

During its insurance organizing campaigns, U.O.P.W. charged that the companies were spending "huge sums" to defeat the union. Now the savings bank group charges that the union is doing a political job worth huge sums to the insurance companies since they could not possibly do it for themselves.

## Rifts

The fight between the United Automobile Workers and the United Farm Equipment & Metal Workers—both C.I.O. units—over who should have employees of Caterpillar Tractor and International Harvester has reached such lengths that the C.I.O.—which once proclaimed that industrial unionism would end jurisdictional warfare—has had to create a new committee on jurisdictional disputes. Such scraps in the C.I.O. immediately take on factional implications and the new committee, under the chairmanship of Sherman Dalrymple of the rubber workers, will be dealing with explosive stuff. The Communist-oriented bloc in the C.I.O. is mobilized behind the Farm Equipment Workers, a small but important pillar of labor's left wing.

was in line with national and regional board warnings that NWLB is planning a tougher attitude against an increasing tendency by labor and management to turn to federal labor agencies for settlement of issues which should be handled through collective bargaining.

Involved was a dispute between the Wright Aeronautical Corp., Paterson, N. J., and the United Automobile Aircraft & Agricultural Implement Workers (C.I.O.) as bargaining representative of 44,000 workers. The two parties, according to NWLB, have been unable to agree on terms of renewal of a contract which expired Oct. 21, 1944, and which was extended by mutual consent.

• **Mediator Assists**—The board found that only a small proportion of the issues affect basic working conditions or fundamental relationships between the parties.

As long as this condition exists, NWLB said it was unwilling to consider the case—or to be used as a substitute for free collective bargaining. David L. Cole, chairman of the New Jersey State Board of Mediation, was appointed as special representative of the board to aid company and union in clearing minor issues. Only when that has been done will NWLB accept jurisdiction.

## Overtime Can Tell

How long working weeks sap plant efficiency is revealed by BLS studies in metal shops. WMC figures show new trend.

Studies indicating that long workweeks do not necessarily increase output proportionately have given impetus to a trend away from the 66-, 72-, and even 84-hour weeks reported a year ago by the War Manpower Commission in metalworking plants. Recent WMC figures place the general work-week for the plants at 54 to 56 hours.

• **Dozen Shops Studied**—The studies were made by the Bureau of Labor Statistics in twelve metalworking plants which had instituted marked changes in working schedules, and whose production records made possible a reasonably accurate check of effects.

In general, findings indicated that while factories may obtain greatly increased output for a short time by drawing on reserve strength of workers, over long periods efficiency tends to drop until output may be less than could be obtained under shorter schedules.

BLS found a five-day week and eight-hour day to be the most efficient, with a sixth eight-hour day resulting in a

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little loss of efficiency. Lengthening hours beyond 48 a week brought a sharp break. In terms of performance, a seven-day week was found to amount to eight-day wages for five-day output.

• **Workers Adjust**—Clear conclusion was that workers adjust themselves to longer hours by slowing down, not because they want to, but because they have to.

A 52-hour week was found to be as productive as a 58-hour week for less strenuous forge shop work. Increase in working hours in a shell plant from 40 to 66—about a 30% increase in hours—brought only a 7% increase in output. This same result could have been attained by increasing from 40 to 44 hours a week. The plant subsequently returned to a 48-hour week, the wartime minimum.

Drops in efficiency due to increased hours were more marked under incentive pay plans—in which workers apparently gear themselves to higher production effort than under straight time. BLS found that only two hours' production is gained for every three hours of work added under incentive plans.

• **Among the Findings**—Efficiency for men on straight pay rates in one plant was virtually unchanged when hours were increased from eight to nine and one half daily in a six-day week. BLS concludes that output at the shorter hours was below peak, so that an extra 1½ hours daily necessitated no slowing down on the part of workers.

One foundry produced a testimonial for incentive pay as well as lower hours when it changed its wage basis from day work to piece work while continuing a ten-hour day and a 58-hour week. Slight output increases resulted. But when work days were reduced from six to five, and hours were made constant at ten daily, output shot up 13%.

BLS found absenteeism and accident rates went up with increases in working hours. It concluded that there is no generally applicable optimum hour schedule for industry due to differing conditions in plants.

### **JAIL OR WORK—IT WORKS**

Two months ago Denver's police judge began offering "drunk and disorderly" defendants their choice of jail or a war job, at the request of the War Manpower Commission.

A recent survey shows that 277 out of 360 workers recruited in this manner are still on the job. If they backslide, they must serve the suspended sentence. New cases in police court have dropped from an average of 55 to 20 daily—but forfeited cash bail bonds have almost doubled, because of defendants' reluctance to choose between a job and jail.



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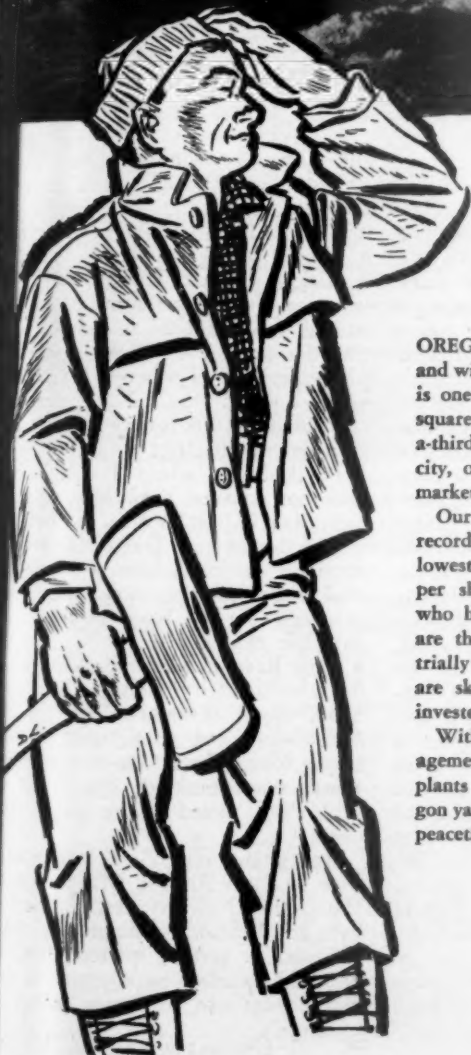
Oregon is growing *solidly* and *rapidly*—because Oregon wants to grow, has the room in which to grow—and has the basic resources with which to grow.

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## The Oregonian

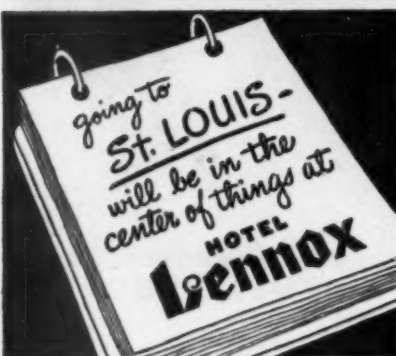
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## Fewer Controls

Pending labor legislation does not bear out union fears of avalanche of restrictions by state legislatures.

Legislatures in 44 states this year are the arenas for industry-labor skirmishes over laws which will govern work relationships on the state level in the opening days of the critical reconversion period.

• **U. S. Pattern Followed**—With four exceptions state legislatures meet biennially, and current sessions, which for the most part are now in final days, will be the last until January, 1947. Industrial groups and labor organizations remembered this in drafting legislative programs which seek to set the post-war pattern in social and economic fields.

Thus far successes have been about evenly divided. The general outlook is that fewer labor control laws will be passed in 1945 than two years ago—when ten states adopted restrictive measures—and that more legislation will be offered along lines of federal anti-discrimination, workmen's compensation, wage-hour, and collective bargaining programs.

• **Bias Bans Demanded**—Antidiscrimination measures similar to the bill recently adopted in New York (BW-Mar. 10 '45, p. 100) have been filed in eleven legislatures. Most of the bills are designed to bar bias in employment due to race, color, creed, religion, national origin, or ancestry. Most would make unions equally liable for action based on charges of discrimination.

States in which discrimination bans have been asked include Colorado, Kansas, Massachusetts, Michigan, New Jersey, New Mexico, Connecticut, Indiana, Pennsylvania, Ohio, and Illinois.

Six states—Connecticut, New Jersey, Ohio, Oregon, Washington, and Wisconsin—are considering new, or revised, state labor relations laws based on the federal National Labor Relations (Wagner) Act, guaranteeing collective bargaining rights. Along similar lines, a new state constitution in Missouri gives labor the right to organize and bargain collectively through representatives of its own choosing. Incidentally, four states—Massachusetts, Minnesota, Illinois, Pennsylvania—are also considering proposals which would protect strike activities from court injunctions.

Labor's legislative program also includes liberalization of workers' compensation laws, provision of additional

health and security for workers, increased funds for educational purposes and—in remaining southern poll states—removal of voting restrictions.

• **Labor Lobbyists Cooperate**—Despite the broad schism between A.F.L. and C.I.O., representatives of both organizations are showing ability to get together and, with the Railroad Brotherhoods, to push their legislative programs in the smartest and most widespread lobbying campaign which has yet been conducted in state capitols.

Significantly, labor lobbyists are winning victories in the South—once a hard field for passage of labor control laws (as in Florida, Texas, and Alabama)—an agriculture-business coalition in state legislatures.

• **Closed-Shop Bans Die**—Georgia's legislature repealed poll tax laws in February and followed up by abandoning a bill which would have banned closed shop, union shop, and maintenance of membership in union contracts.

Tennessee legislators likewise let labor control laws die in committee. One would have barred closed shops; the other would have made unions financially liable for violations by employees of terms of their contracts. But Tennessee refused to repeal its poll tax law as asked by labor.

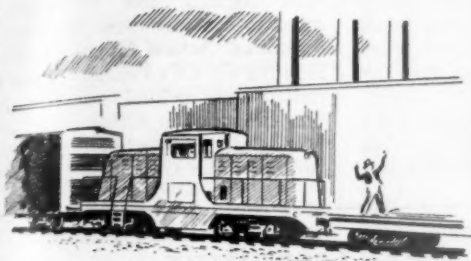
In Texas—home state of bitter antiunion Christian American, Inc.—legislators voted to investigate that and other similar groups, and a proposal for a bill to bar closed shops headed for a committee pigeonhole.

• **Arkansas Changes Course**—Arkansas, where voters last year approved a right-to-work constitutional amendment barring the closed shop (BW-Nov. 18 '44, p. 18)—displayed a change in attitude when legislators balked at passage of an enabling bill necessary to make the amendment effective.

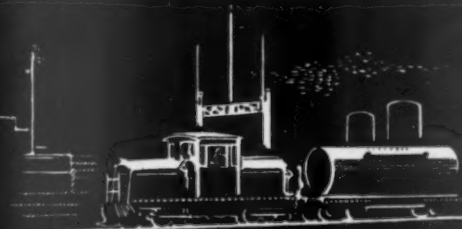
In Alabama, where the legislature does not convene until May, there is increasing indication that the poll tax will be thrown out. One of the South's strongest labor lobbies will support workmen's compensation and other proposals of the type, expects little antilabor trouble.

• **Some Reverses for Unions**—But labor has also suffered its sharp reverses. In 1945, South Dakota adopted a ban outlawing closed shops, and another calling for a referendum on a constitutional amendment of the "right to work" type aimed at the same objective.

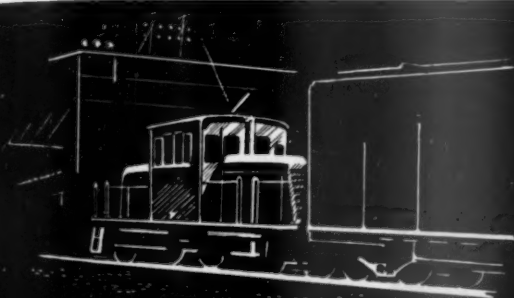
Restrictions on collective bargaining were sought in Arizona, Maryland, New Hampshire, New Mexico, North Dakota, and Vermont. The proposals have followed a general pattern, making unlawful denial of employment, or discharge from jobs, of anyone because



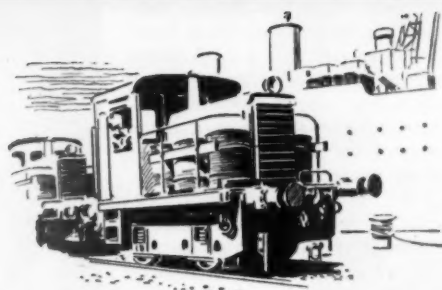
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membership or lack of membership in a labor organization.

• **Restrictive Laws Pending**—Labor control programs of Christian American, Inc., and other similar organizations, in the past also have sought to hamper unions through internal restrictions, such as requiring unions to file periodic

financial statements, that union officers and organizers be licensed and reside in the state, and that membership lists and other union records be open for inspection.

Texas enacted such a law in 1943, and seven legislatures—Arkansas, Connecticut, Colorado, Maryland, Missouri,

New Mexico, and Wisconsin—were asked to consider them this year.

• **Political Action Opposed**—Efforts to curb the C.I.O.'s Political Action Committee were behind restrictive legislation proposed in California, Colorado, Maryland, Massachusetts, Michigan, and New Mexico. These proposed bills

## Utah Labor and Business Legislate Together

This year is witnessing a continuation of the trend toward mixing politics and labor relations. In the halls of Congress and in 43 of the 44 state capitols where legislatures meet in 1945, union and management representatives are projecting ancient feuds and battling over legislation. The 44th state—Utah—is an exception.

• **They Get Together**—Responsible for sharply distinguishing Utah from the prevailing pattern is a small group of men led by a chamber of commerce secretary who sees nothing sinister in unionism and by two labor leaders who are willing to listen to the businessman's side of an argument.

Forced to deal with a legislature which gave every promise of operating on the basis of an intraparty schism between predominant Democratic factions, legislative representatives of Utah industry and labor established a fusion group to decide common problems, reach agreements, and stand together on matters of mutual interest before they reached the legislature.

• **Not One Debate**—So successful was the experiment in cooperation that, when the legislature adjourned last week, it had passed every measure concerned with labor problems without a single debate in either house.

All of these measures had been submitted with the joint indorsement of organized industry and organized labor and had been shaped into acceptable form in the fusion group which, as a result of its pioneer effort, will be established on a permanent basis.

The man who inspired this liaison between industry and unions is Gus P. Backman, executive secretary of the Salt Lake City Chamber of Commerce. His co-workers are Clarence L. Palmer, Utah president of the C.I.O., and Fullmer J. Latter, state A.F.L. president.

• **Accepted by Both Sides**—Backman, an indomitable foe of the closed

shop, is one of those rare people who has convinced labor leaders that being against union job control does not make him antiunion. He speaks out just as sharply against businessmen whose labor relations policies are out of date as he does against labor leaders that he believes are off the reservation. This record for



Gus P. Backman

straight talking makes Backman acceptable to the union crowd.

Under his leadership the Utah State Industry-Labor Council was organized; its function is to discuss and find agreement on legislative issues. It is, in effect, a statewide labor-management committee, operating through a 32-man board. On the board sit representatives of the Chamber of Commerce, Utah Manufacturers Assn., real estate interests, retailers, and other employer groups; and representatives of the A.F.L., C.I.O., Railway Brotherhoods, and United Mine Workers.

• **Time for Study**—During the legislative session the council met weekly, or upon call. Labor representatives submitted copies of all bills affecting industry to the industry group in sufficient time to allow a protest; and

all industry bills were turned over to labor members to allow the labor groups an opportunity to study them.

The score: Four bills under dispute were passed unanimously by the Utah Legislature after an agreement on them had been reached by the council. They covered: (1) occupational disease legislation, defining occupational ills and providing payment; (2) increased benefits in workmen's compensation laws; (3) changes in unemployment insurance; (4) mine regulatory bill, covering regulations for working conditions in all mines.

One bill, favored by labor and opposed by industry, was held in abeyance, pending a joint study by labor and industry; and a sixth, approved by both labor and industry, was vetoed by Gov. Herbert B. Maw for technical reasons, not involving any labor dispute.

• **Tax Proposal Dropped**—A severance tax bill, which originally would have placed a 5¢-a-ton tax on all severance industries, involving 24.2¢ a ton on the price of steel at the Geneva Steel plant, and upon coal, silver, lead, zinc, and other industries, was favored by labor and opposed by industry.

Following a conference the tax was reduced to 2¢ per ton, and the bill allowed to die in sifting committees as labor and industry agreed to a measure which provided for the appointment of a committee consisting of representatives of labor, industry, and farm groups to study the entire tax structure and report back to the next legislature.

Neither the industry nor the labor group has receded from its principles. They have negotiated until they found agreement. Both are enthusiastic about the new arrangement.

• **Divided the Check**—As a final decisive gesture Utah's labor lobbying group and Utah's industrial lobbying group entertained both houses of Utah legislature at the legislature's close at a dinner—and shared the cost dollar for dollar.

were aimed at barring political contributions by unions. The California measure would forbid any penalizing action by a union against a member who refuses to pay union assessments designed for political purposes.

Strike restrictions are sought in bills in Colorado, Maryland, Massachusetts, Michigan, Minnesota, and Nebraska. These differ widely in scope. In Maryland, for example, picketing by other than striking employees would be banned; employers would be authorized to hire nonunion workers, regardless of labor contracts, if union employees violate the law. The bills require compulsory arbitration of disputes, strike calls by no less than a three-fifths union vote in secret ballot, one-week strike notice, and place an absolute ban on strikes in jurisdictional disputes—with unions liable for damages to an affected employer.

## Unavailing Clinic

Judicial effort fails to throw any new light on behind-the-scenes causes of tie-up in Philadelphia transportation.

The last phase of the strike of Philadelphia Transportation Co. workers which tied up that city for a week last summer (BW—Aug. 12'44, p103) has ended with the levying of \$100 fines on 27 of 30 men charged with violation of the Connally-Smith War Labor Disputes Act. But no light was thrown on the causes behind the scenes.

The fizzling out of the case was greeted with mingled relief and disappointment, since some discussion of the findings of the special grand jury which indicted the men had been expected (BW—Oct. 13'44, p108).

• **Court Seeks Causes**—Since the men pleaded no defense, no direct testimony was taken, but U. S. District Judge George A. Welsh called for a "social clinic" on the causes of the tie-up, which ended only upon intervention of the Army. The grand jury had found the impasse due mainly to resentment over the upgrading of Negro P.T.C. employees to operating jobs.

Federal attorneys reported that investigators had been unable to learn who instructed the employees to begin the strike movement by reporting off ill.

Defense attorneys, in their statements at the "social clinic," countered that the strike was not one by the rank and file, but was "one of the most cleverly planned strikes in the nation" and that the company was behind it.

Judge Welsh declared that the "real



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truth of this strike is obscure," and that to "believe that 30 men such as these were the sole cause would mean that I am believing a fantasy."

• **"A Right to Be Angry"**—"There was no outcry from the directors of the company for any action. No meeting was called to confer, discuss, or request action. That, to me, is unusual," the judge said.

"The public has a right to be angry, and a right to criticize. However, they had a right to carry their anger to the end of the road, and not have it vented on 30 men when 10,000 were involved."

Among the defendants were members of both the Transport Workers Union (C.I.O.) and the defunct P.R.T. Employees Union, as well as other minority union groups.

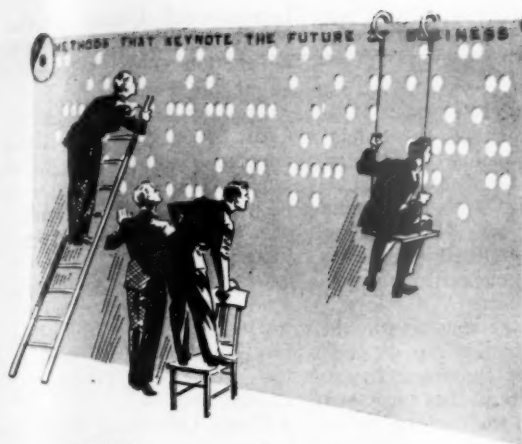
• **Wage Issue to NWLB**—Negotiations for a new contract between the T.W.U. and the company went on for nearly two months, and while compromises have been made on both sides, the current dispute—primarily over wages—will go to the National War Labor Board.



### STRENGTH BUILDER

Irving Abramson, president of the New Jersey State C.I.O. Council, is new director of Montgomery Ward Affairs for the C.I.O. In handling the C.I.O.'s Montgomery Ward problem, Abramson replaces Leonard Levy, vice-president of the United Retail, Wholesale & Department Store Employees, who put aside other union responsibilities while the Ward situation was acute. Abramson takes on the difficult job of getting Ward workers strongly enough organized so that when the government withdraws the C.I.O. can stand on its own feet.





## Keeping an eye on SALES

### through Remington Rand Punched-Card Accounting

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Volume merchandising of whatever nature demands quick, accurate, detailed information to permit executives to plug loss-leaks quickly, and to cash in on sudden, profit-making opportunities. Remington Rand Punched-Card Sales Accounting makes this information possible through the tabulation of more facts, faster, more accurately, and at lower cost than by any other method.

E. R. Erlandson, Sales Accountant, United Drug Co., Boston, says:

"We adopted Remington Rand Punched-Card and Tabulating Machines in 1922 to speed up our sales accounting work. It was a success from the start. Our sales executives, branch managers, and 100 salesmen have come to depend upon the daily, monthly, and 4-months' sales analyses, and the reports on costs of sales, as the basis of their individual handling of accounts, and as a test of

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The detailed story of how United Drug uses Remington Rand Punched-Card Accounting for Sales Control is contained in Certified Report No. 4402-2C, copies of which are available to interested executives by writing to our branch office nearest you, or direct to Remington Rand Inc., Tabulating Machines Division, New York 10, N.Y.

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SYNCHRO-MATIC is a dual-duty book-up which automatically punches tabulating cards, for sales and other analyses, at the same time an invoice is being produced on a Remington Rand Bookkeeping Machine. The SYNCHRO-MATIC, thereby halves the time required to punch and punch separately; assures absolute accuracy between invoice data and sales records; and takes advantage of the speed and accuracy of automatic, mechanical tabulating to produce factual analyses. All flexibility of alphabetical and numerical recording, another exclusive Remington Rand feature, adapts the operation to any invoice arrangement and any analysis requirement.

# Splitting Cannery

Three-way squabble may be product of A.F.L.'s award of cannery warehousemen to I.B.T. Seafarers eyed as shelter.

The executive council of the American Federation of Labor laid foundations for what may develop into a three-way jurisdictional conflict when, during its recent session at Miami, it awarded jurisdiction over warehousemen employed in West Coast canneries to the International Brotherhood of Teamsters.

The process of enforcing the award has moved too slowly to generate much friction on the Coast so far, but the A.F.L. cannery workers' unions, which have possessed that jurisdiction, are not expected to submit without a struggle.

• **In Federal Locals**—When the cannery workers in 1937 took up the battle cry for organization, the A.F.L. responded—not by establishing an international union for them, but by organizing them into so-called federal locals, chartered directly by the executive council.

There are about 27 locals in California, Oregon, and Washington which stand to lose membership. At the peak

of the canning season, which may last five or six months, these locals speak for about 80,000 workers in all the productive functions of the canneries.

• **Vertical Organization**—Through a system of statewide councils, the federal unions achieve a semblance of industrial organization. Thus, the California State Council of Cannery Workers Unions bargains collectively with 112 fruit and vegetable canneries or their trade associations. Similar councils exist in Oregon and Washington.

How great a bite the teamsters would take out of their membership depends on interpretation of the word "warehouseman," a loose term that suggests a multitude of jobs in the canning industry. During the ebb season, key workers in the canneries are shifted to jobs which might be classified as warehousing operations, replacing the itinerants and "fruit tramps" who move on to other pastures. If these key workers were adjudged to be warehousemen by reason of their off-season occupation, the loss to the cannery workers' unions would be vital—if not mortal.

• **Seafarers Eyed**—Although the cannery workers' unions decline, for obvious reasons, to confirm or even discuss it, there have been persistent reports that to avoid partitioning they would seek refuge in Harry Lundeburg's Seafarers

International Union, another A.F.L. affiliate which, by virtue of its jurisdiction over seafood canneries, might afford shelter.

Properly or not, Dave Beck, West Coast boss of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers, is credited with originating the demand for jurisdiction over cannery warehousemen. And, in his point of view, the demand was wholly illogical, for his union years ago was permitted to exchange the word "stablemen" in its formal for "warehousemen" and to enjoy the jurisdictional perquisites which change implied.

• **Hands Off**—Many of the teamsters in the canning districts profess to be as unhappy about the partitioning as the cannery workers. It is no secret the two organizations enjoy cordial relationships in the canning communities. As long as warehouse wages in the canneries do not fall below the scales, local teamster officials have been disposed to keep hands off.

Employers have evinced no interest in the impending shift of warehousemen. Privately, however, they confess some concern lest the division of jurisdiction upset the bargaining pattern in the industry. Until now at least, canneries have been able to negotiate with the councils of federal locals, what amounts to a statewide basis, although negotiations have been tended by the customary heat of gainable discussions, they were one-shot process.

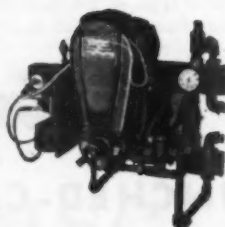
• **Greater Discipline?**—Some employers confess a belief that the teamster organization, by virtue of its maturity, would exercise greater discipline on cannery workers than the relatively adolescent federal locals. But the prospect of negotiating with two unions instead of one—especially if A.F.L.'s executive council's award is the tipoff to a wholesale partitioning program—stirs no change in the canneries.



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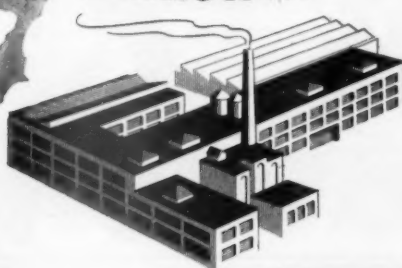
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## GRIEVANCE FORMULA SET

Hughes Tool Co. of Houston, involved in a four-year-old controversy with the United Steelworkers of America (C.I.O.) and the Independent Metal Workers Union, in the future can act on individual or minority group grievances not involving contract provisions, but the company is restricted to collective bargaining with C.I.O. in settling all matters involving interpretation of a collective agreement or properly the subject of collective agreement.

The Fifth Circuit Court of Appeals at New Orleans has issued a decree to that effect, supporting a National Labor

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BW-3-24-45

Relations Board order which was modified in accordance with a court decision against NLRB a month ago (BW Feb. 10 '45, p100). NLRB at that time sought to have the company stop handling grievances not presented through C.I.O., and to stop collecting dues for the minority union under a dual checkoff. The court decided the dual checkoff is legal and held that individual employees or groups of employees may present for adjustment grievances based exclusively on questions of fact or conduct involving only the employee or employees filing the grievance.

## Agencies Tapped

Manpower ceilings imposed on civil service in Utah may be extended to other areas. Test placates private industry.

Federal agencies in acute manpower shortage areas throughout the nation may find themselves under the same personnel ceilings as private industry.

A precedent is being set in the Salt Lake-Ogden industrial areas of Utah. Through the cooperation of Edwin D. Ellis, branch regional manager of the U. S. Civil Service Commission, and Joseph R. Mayer, state director of the War Manpower Commission, the priorities committee of the WMC began placing personnel ceilings on all nonmilitary federal agencies, including those under civil service.

• **What It May Mean**—The move to limit personnel of federal agencies and to establish referral priorities for them was the first in the country. The situation in the Salt Lake area is particularly acute because of the heavy concentration of war plants, but the same system is being applied in Norfolk, another manpower bottleneck, and, if successful, may be installed in other shortage areas.

Private business has been subject to personnel ceilings and referral priorities since July 1, 1944.

Early investigation by Clark N. Stohl, civil service representative in charge of the program, revealed conditions neither as rosy as claimed by the agencies, nor as bad as private industry had painted them. Some manpower will be released, according to Stohl, but how much is not yet determinable.

• **A Morale Factor**—Earliest benefits have been the removal of the last resistance by private industry to the lowering of manpower ceilings. The publicized drive removed the argument that private industry has been drained while bureaucrats hoarded help.

# THE WAR AND BUSINESS ABROAD

BUSINESS WEEK

MARCH 24, 1945



**Don't miss the significance—and inevitable, long-term repercussions on business—of the drastic changes that have been made in Pacific war plans.**

This country's military high command—with the knowledge of Allied chiefs of staff—has clearly decided that:

- (1) Japan cannot be defeated until its troops are driven out of China.
- (2) Chinese forces are incapable of performing this task—even if masses of equipment are supplied to them—without first undergoing a long period of training in the use of modern machines and fighting methods.
- (3) The U. S. public—already clamoring for the lifting of civilian restrictions, the return of troops at the earliest possible moment, and the reconversion of industry—is in no mood to support a prolonged war in the Orient, would prefer to do the job itself, if necessary, to "get it over" in a hurry.
- (4) The Chinese public—which has endured the hardships of war since 1931—needs desperately to settle down to the problems of rehabilitation if China is to become a Far Eastern anchor in the world security program.

The Pacific war is no longer the problem mainly of the Navy and Air Forces.

**The U. S. obviously intends to utilize a huge land army to help specially trained Chinese forces drive Japanese troops from the Asiatic mainland.**

**Principal battle zone will still be north of the Yangtze, where the Nipponese will fight desperately to hold the approaches to:**

- (1) Their Manchukuo war industries.
- (2) The Shantung and Korean peninsulas, natural takeoff points for an amphibious invasion of the Japan homeland (BW—Nov. 4 '44, p111).

**In the south, limited numbers of troops are soon likely to be involved in landings with the objective of providing a base—probably near Hong Kong—from which to:**

- (1) Attack Japan's overland supply route to southeast Asia.
- (2) Set up a supply line for heavy equipment going to selected Chinese troops now being specially trained to help clear scattered Japanese forces from their tenuous hold on the one rail line running south from the Yangtze.

**In the north, you can look for eventual Soviet cooperation in clearing the Japanese out of Manchukuo.**

Implication not to be missed is that massed U. S. forces north of the Yangtze probably mean that Russian fighting will be mainly confined to Manchukuo.

**And, more importantly, the U. S. undoubtedly would not have taken on this major load without having been assured a dominant position in the economic, as well as the political, rehabilitation of China after the war.**

Economically, Washington's plans are already beginning to unfold.

Donald Nelson has set up a miniature War Production Board in Chungking, aimed at getting the maximum output from China's limited production facilities and at creating a well-trained industrial planning organization which will be ready to handle rehabilitation jobs in industrial centers when these are liberated.

Leon Henderson leaves for Chungking this week—on the first of

# THE WAR AND BUSINESS ABROAD (Continued)

**BUSINESS WEEK**

**MARCH 24, 1945**

several study trips—in order to survey methods for controlling inflation.

The first 39 of a group of 110 Chinese engineers who are to be trained on U. S. railroads have arrived in this country. They will return to China with the invasion armies, ready to complete their training on their own railroads while these are still under Allied military control.

**Rail equipment manufacturers can expect big orders for rehabilitation and expansion of Chinese railroads**, for Washington has decided to carry out certain minimum jobs necessary for security in China after the war.

**Most important of all projects under consideration is the Chinese Ministry of Economic Affairs' \$800,000,000, five-year plan to make a start at the industrialization of China.**

Backed by the Foreign Economic Administration, which provided the engineers to make the survey, China has made detailed blueprints for a model plant for each of 104 primary industries.

Included in the scheme are 260 small-scale steam power plants.

Also included are plans for 105 plants to make basic chemical and drug products, 170 to handle minerals, and 236 to process foods.

Leaders in more than 50 U. S. industries provided detailed specifications for FEA engineers to use in laying out an economic unit ideally suited to the initial stages of China's industrialization program.

**No flood of Argentine carpets need be expected in this market** following the announcement that an initial shipment is on the way from Buenos Aires.

The 21,000 sq. yd. of carpet material just shipped represent the entire six months' production capacity of three factories.

**Alert Texas soft drink manufacturers are going after the Mexican market.**

Following along the trail blazed by Coca-Cola, Pepsi-Cola, and Canada Dry, the Dallas producers of "Dr. Pepper" are now in Mexico preparing to start local production of their popular-priced drink.

**No significant developments are expected to grow out of the international cotton conference which opens Apr. 4.**

The British government—along with such good neighbors as Brazil and Peru—is vigorously opposed to subsidies.

But the American cotton grower and his political friends insist on subsidies and there is no hope that a compromise can be devised.

**The Allies have commenced drawing strategic supplies from the Reich.**

More than 17,000 tons of high-grade coke were shipped to Luxembourg steel mills last week from coking furnaces at Alsdorf, Germany.

You can discount London dispatches reviving the idea of a common Empire front in international trade talks scheduled to be held some time this fall.

Committed to hold exports as near as possible to a record yearly level of \$1,800,000,000, Canadian leaders—both in the government and in the opposition—are committed to multilateral trade and lower tariffs. **They believe Washington's policies—rather than any return to intensified Empire preferences—are most likely to hold trade at this level.**



## BUSINESS ABROAD

### Plants at Work

Harvester's survey of its French factories shows company was too pessimistic in writing off its foreign properties.

A sizable ray of hope for American owners of European factories shone forth last week. A. Maxwell Rode, director-general of European operations of International Harvester Co., returned to the home office at Chicago and reported on a four-month inspection of the company's French factories and branch houses.

**Plants in Good Shape**—What he found proved that the directors had been needlessly pessimistic when in 1941-42 they wrote off Harvester's entire \$10,500,000 investment in Denmark, France, Germany, Italy, and the Philippines. The two French plants, major units in Harvester's prewar foreign operations, are practically as good as ever.

The French subsidiary is Cima-Wallut Machines Agricoles McCormick & Deering, S. A. Cima's larger plant, employing 3,000 workers prewar, is at Croix, near Lille in Flanders; the smaller plant (500 workers) is at Montataire, north of Paris. Nine branch houses, each with a warehouse, are spread through France. Croix manufactured most of Cima's farm machinery. Montataire made plows, tillage tools, and grain drills.

**Feared the Worst**—The Chicago office had assumed that in the interval since the American executives were repatriated in April, 1941, these factories had probably been converted to making munitions or else dismantled by the Germans. Allied invasion of French North Africa in 1942, however, revealed that some machines and parts from French plants had been shipped to Africa by the Germans to keep up grain output there (BW—Aug. 14 '43, p. 44).

Harvester officials had feared they would find worn-out machinery or demolition by Allied bombing or Axis scorched-earth. Losses experienced in 1914-18 led the management to a pessimistic view.

**Damage Is Minor**—What actually happened to the French properties since 1940 is not comparable. Croix is in excellent shape for operating, once it gets raw materials and fuel. Workers are in ample supply, and the pressing problem is to give them employment as soon as

possible. Montataire suffered relatively minor damage from Allied bombing and is rapidly returning to operating condition.

Before leaving for home, the Americans completely transferred management of Cima to Frenchmen. The management took pains to put everything in such complete conformity with existing regulations that the Germans would be unable to find any pretext to take over the business without legal proceedings.

**Trustees Named**—The Germans merely appointed a corporate trustee at Paris to safeguard the interests of non-French stockholders in Cima, and another at Brussels to be responsible for operating the Croix works. Each of these trustees held similar jobs in other foreign-owned companies; they seldom visited Cima's premises and never interfered.

Until the winter of 1943-44, the Croix plant continued to operate at or close to capacity, using raw materials allocated by Germans, and making only its regular line of farm machinery. Most of the products went into Vichy territory, a little to occupied France.

**German Repair Parts**—A few months before the Normandy invasion, probably because of a combination of Allied bombings in Germany and the conversion of German farm implement factories to munitions, the Croix works received a substantial order for repair parts for German farm machinery. To fill the order required considerable readjustment in foundry and machine shop. Less than 10% of the order had been manufactured and shipped to Germany when the St. Lo break-through liberated the plant.

The Germans pulled out so fast that they left the plant intact. Only three pieces of equipment were taken by them during the war: a yard locomotive, which they returned when it broke down; a truck, which never came back; and a typewriter, which was taken without a requisition, over the management's protests, by three soldiers who said their orders were to bring back the machine or the boss.

**Provided for Profits**—Most spectacular example of German "correctness" concerned Croix plant's \$700,000 lumber stock. The management took the obvious precaution of milling this into semimanufactured shape as rapidly as possible, and meanwhile placed before high German authorities representations of its essentiality. The Germans accordingly ordered this scarce material left untouched. Much of it remains today.

The company collected cash for sales by its branch houses and paid for materials, labor, and all other expenses.



### FOR UNDERSTANDING

In London, Samuel Goldwyn, Hollywood's prime glamour exponent, gathers data to glamorize reverse lend-lease for a GI audience. A poll reveals that just 35% of U.S. servicemen are aware that nations receiving lend-lease are reciprocating in kind with goods and services, and Goldwyn has been assigned the job of mapping a military public relations program to remedy the situation. Because ignorance of reverse lend-lease might affect the popular attitude toward our Allies, Washington is stressing the importance of enlightenment.

The Germans set prices at levels designed to provide a normal rate of profit.

**Cash on Hand**—The company was able to pay dividends on cumulative preferred shares, but not dividends on the common stock. This cash piled up to Cima's credit in French banks, where it remains. The U.S. management is not certain that the ultimate accounting will show a real profit earned during the occupation, because of special costs and swelling inflation.

Losses at Montataire were relatively minor despite several direct bomb hits. Unless fire follows, a machine tool which is not hit directly by a bomb or by large fragments is usually at most

only jarred from its base. A bulldozer in the steel shop of this plant was knocked over and buried under 9 ft. of dirt and rubble. Within 90 days it was remounted, repaired, and back in service.

• **Warehouses Demolished**—Harvester's only major losses in France were its nine warehouses at distribution branches. The Germans used these buildings for storing military supplies, blew them up to keep the contents from Allied hands.

What happened to the company's German factory is still not definitely known. The plant is at Neuss, and pictures showing the ruins of this city partially restore the directors' confidence in their wisdom when they wrote off assets in enemy-held lands.

## Spain, the Orphan

Cast in role of outsider at impending peace discussions, Franco makes concessions in hope of honorable mention.

Franco's Spain—barred from participation in forthcoming discussions of postwar world organization—is doing hand-stands in an effort to earn notice, if not consideration, from the United Nations.

• **On the Outside**—Unlike Turkey, Egypt, and Saudi Arabia—invited to the San Francisco security conference in return for declarations of war against Germany—fascist Spain (along with Switzerland, Sweden, and Argentina) will be on the outside looking in.

But like Sweden and Switzerland, Spain has been trying to atone for its wartime indiscretions which passed for "neutrality." Since last year—when it became evident even to Gen. Franco that Germany would be defeated—Spain has naively courted the western Allies while surreptitiously assisting Germany in its last hours.

• **Good Samaritan?**—Spain now boasts that hundreds of British and American flyers have escaped through Spain—and that thousands of young men from occupied Europe were permitted to reach Allied territory (Gibraltar) via Spain.

Last year Spain decided—under pressure—to cut off wolfram shipments to Germany. But there were some leaks of wolfram ore (tungsten source), and at least one boat carrying iron ore to the Reich (by way of French coastal ports) was torpedoed.

Last November Gen. Franco called his dictatorship "an organic democracy" and insisted that "the nations that have remained at peace must take part in making the peace." A few weeks later

the Spanish Minister of Justice revealed that all but about 23,000 of some 271,000 political prisoners seized during the civil war had been released.

• **Air Agreements**—In December, Spain signed an air agreement with the United States permitting transit through Spain of lines originating in the U.S. and reaching Spain via the Azores, Algiers, West Africa, or Brazil. Spain was granted the right to fly to the U.S. This month, a second agreement was signed covering construction of a new airport near Madrid for U.S. traffic. Another agreement, governing the stockpiling of relief goods in Spain, is said to be imminent.

After a year of negotiation, the Spanish government has concluded arrangements to buy the International Telephone & Telegraph Corp.'s Spanish subsidiary, the Sociedad Espagnola de Telefonica.

• **Earlier Developments**—This followed a \$5,000,000 back payment in January to I.T. & T. from its subsidiary; the conclusion a few months earlier of arrangements to pay commercial debts to U.S. firms (BW—May 27 '44, p114); and the special invitation last year to U.S. manufacturers to exhibit their wares at the Barcelona industrial fair.

The I.T. & T. negotiations were long and difficult. The company was ready

to sell its concession (obtained in 1936 and the 80% of the common stock in the subsidiary, but Madrid was willing to pay full value (estimated \$100,000,000) or to agree to some terms of sale.

Under the final contract, I.T. & T. will get \$22,000,000 cash, \$11,000,000 in short-term government dollar bonds, and \$50,000,000 in 4% dollar bonds. But this contract must be submitted to the Cortes, Franco's rubber-stamp parliament, and to the U.S. Treasury for O.K. on the fund transfer.

• **Other Details of Sale**—In connection with the sale of the subsidiary, I.T. & T. obtained \$15,000,000 cash, and the term dollar bonds to complete a transfer of \$26,000,000 owed by the subsidiary. I.T. & T.'s stock interest in the subsidiary has been valued at \$57,000,000; the corporation will receive \$7,000,000 cash and the remainder in 4% dollar bonds.

In a second contract, I.T. & T. agreed to purchase a 94% interest in the Spanish firm, under certain un-revealed conditions, provided foreign technical management officials are retained in the firm. I.T. & T. took the Spanish company when it was about the worst in Europe and rebuilt it into Europe's finest system. Today only eight of 12,500 employees are American.



## PARIS IN SPRING: LUXURIES AND SHORTAGE

Made up principally of U.S. servicemen and women, a queue before the famous Guerlain perfume shop in Paris typifies the buying spree for luxury goods in a France reputedly short of necessities. Some of the luxury items now being exchanged for U.S. dollars—or cigarettes—undoubtedly were manufactured during the Nazi attempt to promote a consumer boom. Others are believed to have been hauled out from caches set up during the occupation.

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## CANADA

### Dominion Willing

Interest of U. S. industry in postwar branch-plant operation in Canada is well received, especially if lines are new.

OTTAWA—Canada's wartime industrial growth and the marked integration of Canadian and U. S. industrial operations during the war may have a marked influence on postwar business on both sides of the border.

• **Looking North and South**—During the last few months many U. S. firms have initiated inquiries or opened negotiations looking toward expansion in Canada. At the same time, Canadian firms whose plants and staffs have grown with war business are on the hunt for new peace products.

Ottawa agencies—particularly War Assets Corp., responsible for disposition of surplus war plants—have hinted that U. S. acquisitions of business properties in Canada may be substantial, but they decline to publicize them prior to announcements from U. S. buyers.

• **Seeking Sales Lines**—Many a Canadian firm has turned to the U. S. to arrange production of established lines for sale in Canada. Typical among these is the John Inglis Co. of Toronto, maker of boilers and marine engines in peacetime and of small arms for war. This firm has advertised in the U. S. for contacts with producers of equipment comparable to its peacetime line with a

view to widening its range of products. Typical of U. S. interest in Canada is the action of the Timken Roller Bearing Co. in establishing a branch plant at St. Thomas, Ont.

• **Inquiries at Montreal**—The only available broad survey of this trend comes from Montreal. In a breakdown of recent inquiries about branch plant possibilities, the Montreal Economic Tourist Development Bureau has revealed 43 requests from the U. S. Of these, 14 were from producers of products, ten from textile producers, four from chemical firms, four from paper manufacturers, four from processors, two from plastics firms, and one from a wood products firm, and the remainder miscellaneous requests.

While prevailing Canadian tax laws sometimes shock casual inquirers, many take the view that the structure will be modified downward after the war.

• **Reasons for Interest**—A number of reasons have been cited for the growing interest of U. S. industrialists in Canadian branch plant operation:

(1) Desire to find an outlet for surplus corporate funds.

(2) Concern about postwar labor conditions at home, and hope of avoiding tie-ups by decentralization.

(3) The fact that on certain types of war equipment Canadian costs have been lower than in the U. S.

(4) Speculative interest in the dollar differential. (An investment in Canada would produce a 10% capital gain in the currencies are parred.)

(5) Belief that British preferential tariffs will continue to afford more favorable access to Empire markets for products made in Canada.

• **A Cordial Welcome**—Concerns mounting into Canada after the war can



As a result of U. S.-Canada talks on commercial air route allocation, Canada gains seven transborder connections (above) and keeps its New York-Toronto line. Not shown are seven new American routes bringing to 15 U. S. links with the Dominion. Canadian air policy calls for operation of international lines by the government-owned Trans-Canada Air Lines.

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of a cordial welcome from the government, particularly if they introduce lines. Canadian policy on surplus assets distribution is to avoid location of or interference with existing plants.

construction Minister C. D. Howe even hinted that U. S. firms might get a special break on the acquisition of war plants if they can be converted to production of products not made in Canada. Several deals pending for sale of these plants are being delayed because one can be sure when war production will end and the plants turned to buyers.

## HEAT ON FARMS

OTTAWA—With Canadian farm income at a new all-time high level, Ottawa income tax authorities are preparing to crack down on delinquent farmers.

In the latest tax year (1943-44) only 25,000 of Canada's 700,000 farmed tax returns. This was a sharp increase from the 3,500 who submitted returns in 1942-43, but farm income for calendar year 1944 reached \$1,800,000—\$700,000,000 above the 1928 level. It was also nearly five times the depression low of \$375,000,000 in 1932.

After the beating farmers took in the depression, Ottawa was inclined before war to ignore the lackadaisical attitude of farmers toward income tax. Now, after several years of boom income, Ottawa is preparing to collect share of these war profits.

Canadian farm production achievements are remarkable in view of the wartime drain of manpower which has cut farm employment from 1,200,000 in 1939 to 1,000,000 in 1944. During the past few years many farmers have built substantial cash reserves for investment in equipment and buildings when materials and labor become available.

## TORONTO TO GET SUBWAY

Toronto's Transportation Commission, a municipal agency, will build Canada's first subway after the war at an estimated cost of \$51,000,000. It will involve two lines, nine miles long, in years of construction, and 20,830 man-years of labor.

One line will be underground, serving overburdened north-south Yonge street; the other will be an open-cut depressed line.

Financing will be from the commission's \$15,000,000 wartime surplus, public financing, federal government reconstruction assistance, and municipal aid for land appropriation.



## Multiplies man-power...

Many men would be needed to lift a 2-ton load six feet. But one man, with a 'Budgit' Chain Block, lifts it quickly and easily.

Entirely new design—the first radical improvement in fifty years of chain blocks—is responsible for efficient operation. There are anti-friction bearings throughout and all working parts, including the automatic brake, operate in a sealed, grease-filled housing. Dirt and grit cannot enter to disturb the smooth functioning.

Another great advantage is the light weight of 'Budgit' Chain Blocks. One man can lift and carry the 2-ton 'Budgit,' for it weighs only 81 lbs.—far less than any similar manual hoist of the same capacity.

Wherever hand-operated hoists are needed, install 'Budgit' Chain Blocks with the certainty that you are acquiring the most efficient multiplier of man-power available.

'Budgit' Chain Blocks are built to lift up to  $\frac{1}{8}$ ,  $\frac{1}{4}$ , 1, and 2 tons. Prices start at \$59.50 list. Send for Bulletin No. 357.



# 'BUDGIT' Chain Blocks

MANNING, MAXWELL & MOORE, INC.  
MUSKEGON, MICHIGAN

Builders of 'Show-Box' Cranes, 'Budgit' and Load Lifter Hoists and other lifting specialties. Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' Industrial Instruments.

## THE MARKETS

(FINANCE SECTION—PAGE 1)

Since the sharp price break of two weeks ago heralded the return of "peace jitters" as an important stock market factor (BW—Mar. 17 '45, p. 118), stocks on occasion have disclosed some rallying propensities. In fact, there was even sufficient buying strength in evidence as late as last week to send the Dow-Jones rail stock price index, despite its earlier decline, to a brand-new eight-year peak.

• **Shortlived Affairs**—All these recent moves toward higher price levels, however, quickly proved rather shortlived and selective affairs. At no time did such "rallies" show any signs of basic strength, and through Wednesday of this week Big Board daily trading sessions were definitely disclosing the degenerative effect on prices of growing trader and investor anxiety over the reconversion difficulties that industry may have to face.

In the current retreat toward sharply lower price levels, relatively few issues have been spared. Even such blue chips as du Pont, Union Carbide, Norfolk & Western, Union Pacific, Johns Manville, General Motors, and Chrysler have disclosed fairly consistent daily losses ranging up to more than \$2 this week.

• **Nothing Panicky**—Daily trading volumes during the decline have not been particularly large nor has any panicky dumping of stocks been noticeable. Selling, however, has been persistent. Buying orders have become scarcer than ever before this year, and even Wall Street's more rabid bullish elements are reported willing, for the time being at least, to sit on the side lines.

Few Wall Street market seers are yet willing to go out on a limb concerning the possible extent of the present move towards lower price levels.

Some statisticians, however, do seem to be feeling a bit more uncertain than previously over the outlook, and this is starting to hedge. They are advising "long-range" investors to sit tight at present, but are suggesting that those interested in the market's short run might well consider taking at least a portion of any profits now available.

• **An Eye on Washington**—A section of Street opinion thinks that it may be some time before the market as a whole is able to exceed the highs registered earlier this month. In fact, that element fervently hopes so, believing any sharp uprush of prices in the weeks ahead would almost certainly result in some restrictive action from Washington, in the way of higher margins or higher taxes on security profits, which could easily be a serious but temporary effect on prices.

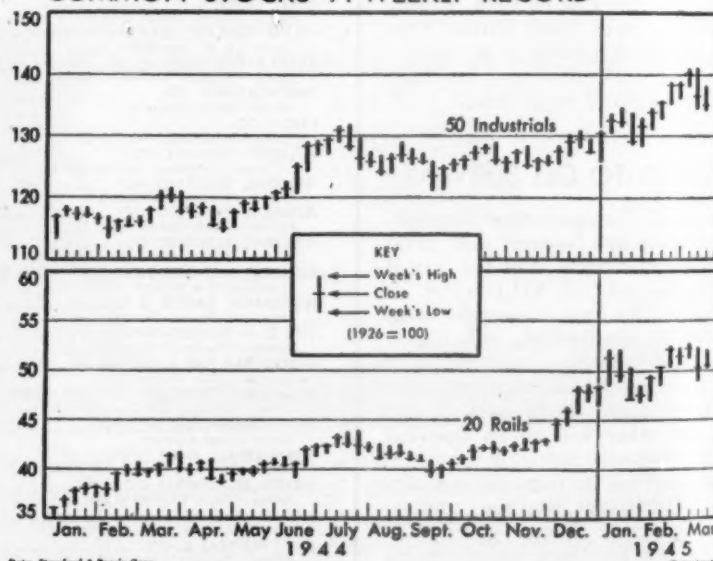
Cleveland Trust Co.'s Gen. Leonard P. Ayers, incidentally, doesn't think the recent stock market rise was discounting the end of war in Europe. This, he says, will be probably "bearish rather than bullish." He thinks prices, instead, are responding to the rise in armament orders.

## Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
<b>Stocks</b>				
Industrial ...	135.1	136.5	138.4	120.0
Railroad ...	50.6	50.3	52.2	40.0
Utility ...	60.7	61.4	62.3	50.0
<b>Bonds</b>				
Industrial ...	123.2	122.7	122.0	120.0
Railroad ...	114.8	114.5	114.9	100.0
Utility ...	116.4	116.7	116.7	110.0

Data: Standard & Poor's Corp.

## COMMON STOCKS—A WEEKLY RECORD



Data: Standard & Poor's Corp.

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# THE TRADING POST

## More Than Money

Need for more adequate housing for considerable segment of the population appears to be almost universally recognized. A new attack on the problem is in Congress (BW-Mar.10'45, and numerous private agencies are engaged in studies designed to assist in achievement of decent housing for

Virtually all of the discussion, however, seems to be concentrated on the financial aspects of the situation. If it is possible to cure the present difficulties with an appropriation of \$100 millions or more annually for the next decade, I feel sure that the problem would not need so much time as is devoted to it today.

The housing problem that now confronts the nation is cumulative. During the thirties, new home construction and remodeling were below normal because of the depression. With the advent of war, improved earnings for many were in the greatest need of improved housing could not be put into construction because of the shortage of materials and labor.

So the nation will enter the postwar period with its housing deteriorated, unequipped, and out of date, representing a tremendous potential market for repair and replacement. Normally, about 10,000 new families are created each year, and few of those set up since the beginning of the war have had an opportunity to build new homes. Statistically, then, it is not difficult to arrive at the conclusion that a million or more new housing units should be built each year during the first postwar decade.

\* \* \*

Some who have given study to the problem believe that this challenge can be met by providing federal funds for slum clearance, and additional funds at very low interest rates to stimulate home building in the middle income groups. They see a vast housing program as a means of helping to achieve "full employment" and of raising the standard of living for the nation.

There are others who argue that slums, in reality, a local social welfare problem and that slum clearance activities should be administered and financed by the states and municipalities. And they answer the plea for very low interest rates with the assertion that experience does not support the contention that lower rates stimulate construction.

But even if agreement could be reached on the methods of financing a housing program, other problems would remain to be solved. The Twentieth Century Fund, after a four-year study, has published "American Housing," which examines many of the difficulties, ordinarily not considered in a discussion of house construction.

This survey revealed that every phase of the housing industry is beset with obstacles. It traces the difficulties back to the land ownership and title transfer systems and distributes the blame among occupants and users, owners and managers, lenders, contractors, architects, producers and distributors of materials, land subdividers, and government at all levels.

About the only step that has been taken toward a solution of the many problems, says the research staff of the fund, has been to permit heavier borrowing in relation to equity investment. But so long as access to funds is not accompanied by a higher degree of certainty as to value over a long period of amortization, the incentive to borrow and to invest, in volume sufficient to really make a dent in the housing problem, is still absent.

\* \* \*

Housing as an industry, the fund's housing committee concludes, is handicapped by tradition. Tradition has burdened the real estate owner with a cumbersome system of transfer. Tradition requires that houses be manufactured at the site, where costs are high, instead of in a factory where specialized producers might, if encouraged, reduce the unit cost of the present type of structure or simplify designs to bring further economies without decreasing the essential comforts and conveniences that the home-user demands. Tradition maintains an assessment system which, in many cases, is not based on the realities of present and future land use. Tradition makes difficult the reassembly of small ownerships and thus delays redevelopment of blighted areas.

A change in attitude and thinking might be listed as one of the first essentials in any solution of the housing problem. Then, if the industry is to meet its full responsibility as an employer of capital and labor in the economic readjustment following the war, and as an agency for improving living standards, it will need a far greater degree of coordination of effort between all the groups that have a stake in any phase of the program.

W.C.

HERE'S

NO PLACE

LIKE

HOME



# THE TREND

## REDEPLOYMENT—A PROBLEM IN MORALE

"At some time we must face the problem of redeployment. . . . We will face a big load in moving troops back to this country, handling their furloughs, re-equipping them, and shipping them to the Pacific. There will be a movement of men and supply directly from Europe to the Orient. . . .

"Equipment for troops redeployed here must be returned from Europe and supplemented from new production. Camps must be reopened and stocked with training equipment while slow-moving items are being shifted to the Orient to be ready there when the troops arrive. . . . On the receiving end, great reception centers and staging areas will be required to bring men and equipment together and to put the finishing touches on training prior to assault.

"During this period, production schedules must be adjusted to fit shipping and training schedules. . . . We must move in order and with precision, yet must make our redeployment with maximum speed to end the war.

"There will be a general feeling at this time that the game is in its last inning, and war weariness will provoke criticism which will be the result of brittle tempers, understandable impatience, and just plain being fed up with the whole business.

"I tell you again, this will be by far the toughest assignment the War Dept. has ever had, and we in the Army Service Forces will bear the brunt of it. . . ."

• In these words of Lt. Gen. Brehon Somervell, broadcast on the recent third anniversary of his Army Service Forces command, the civilian and military leaders of this country should hear a warning bell ringing through their dreams of the day of victory over Germany.

For the veterans of the African, Italian, and French landings, and the Rhine crossing, and for their home folk, the implications of the general's report will add up to news for which they are doubtfully prepared. Even when the Army began to insist that the V-E Day war production cutbacks would be far smaller than had been expected, they still clung to the vision of a heavy V-E Day demobilization of the men who have been "fighting to lick Germany so they can go home." Gen. Somervell's careful statements do not sound like this. They sound as if there was little justification for the earlier popular ideas of how the Pacific war could be fought or as if our leadership had recently arrived at a changed concept of how that war should be handled (page 111).

• For the civilian commanders of our home front the general has drawn a word-picture of what is likely to be "the toughest assignment" that any of them has ever had. It should require little imagination to see how well they must pull together if they are to hold the confidence

of the nation through its passage from the spirit of exultation and relaxation that will follow the end of European war into the spirit of grim resolution and sacrifice that will be demanded for the war in Asia. The general has not omitted that spiritual redeployment from his calendar of difficulties.

For the generals, the admirals, and the whole apparatus of the War and Navy departments, the chief of the Army Service Forces has inevitably posed a problem of public relations with which their own public relations agencies must grapple.

• This one will not be solved by publicity on combat achievements that speak for themselves. It demands a larger concept of public relations than that. It calls for the most careful advance appraisal of the public effect of military policy—an appraisal that can best be made by close consultation with representatives of such interests as industry, labor, the press, and other organs of public expression. It places upon the military the responsibility for recognizing that the people at large and those most immediately affected by any specific policy have a right to know—always within the limits of security restrictions—what are the facts and circumstances that make necessary the demands that are placed upon them. It calls for a patient responsiveness to questioning that has always been in order but never so essential as in this period of spiritual redeployment that lies ahead of us.

The danger will be that those "in the armed services" who may admit all this now will understandably forget it in their eventual preoccupation with the sheer technical problems with which the actual transfer of troops and equipment will confront them. Gen. Somervell himself, in talking to his own command as Army Service Forces chief, spoke of these technical problems first.

• But in this total war the Army's biggest army is still the one that reads the casualty lists in the newspapers. The greatest unit, which the generals have to maneuver through the American economy as a whole. And, today, the reader of the casualty lists feels the economy moving toward a morning after V-E Day that does not seem to be coming out quite as it was planned—or, at least, quite as he had planned it. Its promise of a victory over "the soft goods squeeze," the inflationary pressures, the manpower shortage, and, most of all, over the worry about that boy across the Atlantic or Pacific "who ought to be replaced when only the Japs are left" has dimmed. We shall face it heads up, but we shall do better for a prompt redeployment of our morale-building forces to give us a clearer understanding of its tough assignment.

*The Editors of Business Week*

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